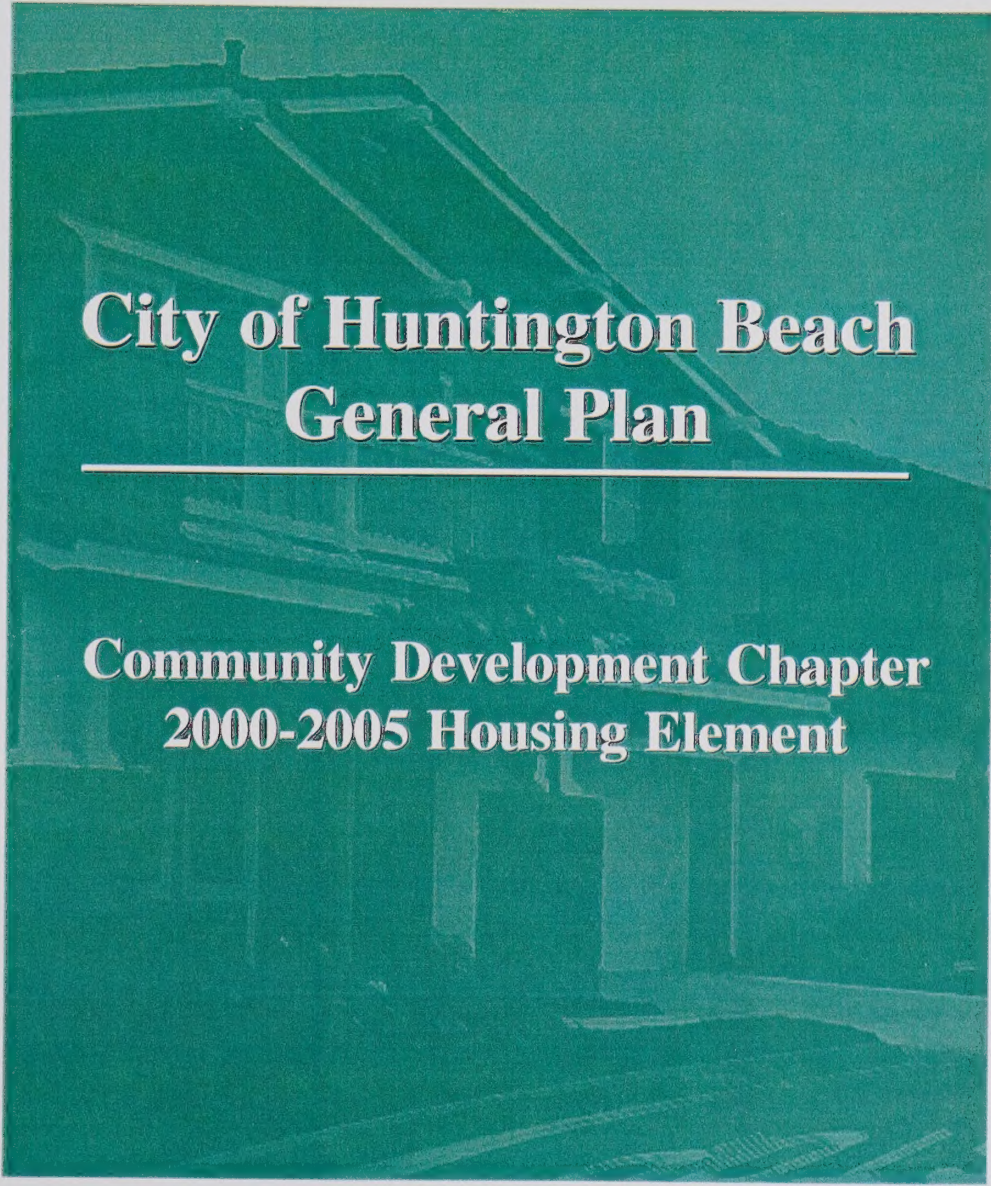




City of Huntington Beach General Plan

Community Development Chapter 2000-2005 Housing Element

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**City of Huntington Beach
General Plan**

**Community Development Chapter
2000-2005 Housing Element**

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December 18, 2000

THE HISTORY OF THE CITY OF BOSTON

FROM THE FIRST SETTLEMENT
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HOUSING ELEMENT
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STATUTORY REQUIREMENTS

The California State Legislature identifies the attainment of a decent home and suitable living environment for every Californian as the State's major housing goal. Recognizing the important role of local planning programs in the pursuit of this goal, the Legislature mandates that all cities and counties prepare a housing element as part of their comprehensive General Plans. Section 65302 (c) of the Government Code sets forth the specific components to be contained in a community's housing element.

Huntington Beach last updated its Housing Element in 1999 to bring the Element into consistency with the City's recently adopted General Plan. The planning period covered by this prior element is from 1989 - 2000. With release of the new regional housing needs figures (RHNA) by SCAG (Southern California Association of Governments), the City is now updating the Element for the 2000-2005 period. Since the City's Housing Element was updated so recently and found in statutory compliance by the State, the 2000-2005 Element reflects a focused update to address the new regional needs figures, program accomplishments, and future five year housing goals.

Organization of the Housing Element

The Huntington Beach Housing Element is comprised of the following major components:

1. An analysis of the City's population, household and employment base, and the characteristics of the City's housing stock. (Section C and D)
2. A summary of the present and projected housing needs of the City's households. (Section C and F)
3. A review of potential constraints to meeting the City's identified housing needs. (Section G)
4. An evaluation of opportunities that will further the development of new housing. (Section H)
5. An assessment of the City's achievements under the adopted housing program. (Section I, Appendix)
6. A statement of the Housing Plan to address Huntington Beach's identified housing needs, including housing goals, policies and programs (Section J).

TECHNICAL SYNOPSIS

A. SOURCES OF INFORMATION

In preparing the Housing Element, various sources of information are consulted. The 1990 Census provides the basis for population and household characteristics. Although dated, no better source of information on demographics is widely accepted. In addition, the 1990 Census must be used in the Housing Element to ensure consistency with other regional, State and federal housing plans. However, several sources are used to provide reliable updates to the 1990 Census. The following lists the primary source documents and materials used in preparation of the Housing Element:

1. U.S. Department of Commerce, Bureau of Census, 1980 and 1990 Census reports.
2. City of Huntington Beach General Plan, Housing Element, 1999.
3. City of Huntington Beach General Plan, 1996.
4. City of Huntington Beach Consolidated Plan.
5. Redevelopment Implementation Plan, 2000-2005.
6. Fair Housing Plan
7. City of Huntington Beach Community Profile.
8. Housing Condition Field Surveys conducted by City staff.
9. Residential site information compiled by City staff.
10. Home Mortgage Disclosure Act (HMDA) data on lending patterns.
11. Current housing sales and rental information obtained through property tax assessor files and City surveys.

B. PUBLIC PARTICIPATION

Section 65583 (c)(5) of the Government Code states that, "The local government shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort."

Members of the public are given several opportunities to recommend strategies, review, and comment on the Huntington Beach Housing Element. Workshops are held with the Planning Commission during development of the draft Element, and participation by the public is actively elicited. Workshop notices are published in the local newspaper, and notices are sent directly to

individuals and organizations which have expressed an interest in the Housing Element update program.

Upon completion of the Draft Housing Element, the City circulates a Notice of Availability of the Draft Housing Element to a variety of interested organizations, including those representing lower income households. The Notice defines a 30 day review and comment period, and identifies locations for review of the draft document, including the local libraries, the Senior Center, and the Planning Department. The following organizations were sent direct notification regarding availability of the Draft Housing Element:

- Orange County Community Housing Corporation
- Bridges America Foundation
- Habitat for Humanity
- Interval House Crisis Shelters
- Shelter for the Homeless
- Council on Aging
- Project Self-Sufficiency
- Fair Housing Council of Orange County
- League of Women Voters
- Mobile Home Owners League
- Huntington Beach Chamber of Commerce
- Orange County Association of Realtors
- Orange County Building Industry Association
- Huntington Beach Tomorrow
- Southern California Association of Governments
- Orange County Planning Department
- City of Seal Beach

Public hearings are held on the Housing Element before both the Planning Commission and City Council. Notification is published in the local newspaper in advance of each hearing, and direct notices are mailed to interested individuals. Public hearings are televised, allowing greater access to individuals unable to attend in person.

C. HOUSING NEEDS ASSESSMENT

Assuring the availability of adequate housing for all social and economic sectors of the City's present and future population is an important goal of the Housing Element. To implement this goal, the City must target its programs toward those households with the greatest need. This section of the Housing Element discusses the characteristics of the City's present and future population and housing stock, in order to better define the nature and extent of unmet housing needs in the City.

Population

The characteristics of the population in a city are important factors affecting the type and quantity of housing in that community. Issues such as population growth rates, age and race/ethnicity as well as employment help determine the city's housing needs.

a. Population Growth Trends

The 1990 Census population for Huntington Beach was 181,519. This represents a total increase of 6.4 percent over the 1980 population of 170,505. As Table HE-1 shows, Huntington Beach ranks as the third most populated city in Orange County, following Anaheim and Santa Ana. Population figures from the State Department of Finance identify the City's 2000 population as 199,326, with among the lowest growth rates in the County between 1990 and 2000 at 10 percent, and lower than the County-wide average growth rate of 17 percent.

b. Age Characteristics

The age structure of a population is an important factor in evaluating housing needs and projecting the direction of future housing development.

The 1990 Census data reveal that, in terms of median¹ age and persons over the age of 18, the population of Orange County, including Huntington Beach, is aging (see Table HE-2). In 1990, about 75 percent of the Orange County population was above the age of 18, compared to about 73 percent in 1980. In 1990, 79 percent of the population in Huntington Beach was above age 18, compared to 1980 when 72 percent of the population was more than 18 years old (see Table HE-3). The aging trend can be attributed to a decline in the influx of large families, a general trend of decreasing household size, and a proportion of the population that is "aging in place" (i.e., they are not moving out of the area when their children leave home or when they retire). Compared to surrounding communities, Huntington Beach has historically had one of the lower median ages. However, since 1980, the City's median age has risen so that it is slightly above the County's median age.

¹The *median* is that number exactly in the middle of a distribution of numbers. That is, 50 percent of the numbers in the distribution are above the median, and 50 percent of the numbers are below the median.

**TABLE HE-1
POPULATION GROWTH TRENDS
HUNTINGTON BEACH AND SURROUNDING CITIES
1980-2000**

City	1980	1990	2000	1990 - 2000 Change	% Change
Anaheim	219,311	266,406	310,654	44,248	17%
Costa Mesa	82,562	96,357	106,607	10,250	11%
Fountain Valley	55,080	53,691	56,919	3,228	6%
Huntington Beach	170,505	181,519	199,326	17,807	10%
Newport Beach	62,556	66,643	75,627	8,984	13%
Santa Ana	203,713	293,742	317,685	23,943	8%
Seal Beach	25,975	25,098	27,412	2,314	9%
Westminster	71,133	78,118	87,637	9,519	12%
Total County	1,932,709	2,410,556	2,828,351	417,795	17%

Source: 1980, 1990 U.S. Census, 2000 figures from State Department of Finance

**TABLE HE-2
MEDIAN AGE - 1980 AND 1990
HUNTINGTON BEACH AND SURROUNDING COMMUNITIES**

City	1980 Median Age	1990 Median Age
Anaheim	28.1	28.9
Costa Mesa	28.3	30.1
Fountain Valley	28.7	33.5
Huntington Beach	28.1	31.7
Newport Beach	35.0	38.4
Santa Ana	25.8	25.0
Seal Beach	40.1	50.0
Westminster	28.4	30.2
Orange County	28.5	30.4

Source: 1980, 1990 U.S. Census

Note: Information only provided through Census; more updated information not available.

**TABLE HE-3
AGE CHARACTERISTICS - 1980 AND 1990
HUNTINGTON BEACH**

Age Range	1980 #	1980 %	1990 #	1990 %
0-5	13,024	7.6	12,663	<6.9>
6-13	21,341	12.5	16,057	<8.8>
14-17	13,074	7.7	8,915	<4.9>
18-20	10,237	6.0	8,834	<4.9>
21-24	14,550	8.5	13,331	<7.3>
25-34	32,910	19.3	38,712	21.3
35-44	24,724	14.5	30,095	16.6
45-54	17,808	10.4	23,374	12.9
55-64	12,717	7.5	14,577	8.0
65+	10,120	5.9	14,961	8.0
Total	170,505	100	181,519	100

Source: 1980, 1990 U.S. Census

Note: Information available through Census only. More current information unavailable.

c. Race and Ethnicity

The racial and ethnic composition of a population affects housing needs because of the unique household characteristics of different racial/ethnic groups. Huntington Beach mirrored the County-wide racial and ethnic trends between 1980 and 1990. Orange County is predominately non-Hispanic White (64.5 percent of the population). This is a smaller proportion than it was in 1980 when the non-Hispanic White population accounted for 78 percent of the total population.

When compared to the rest of the County, Huntington Beach has the fourth largest Asian and Pacific Islander population, the third largest non-Hispanic Black population, and the second largest Native American population. Table HE-4 describes the population of Huntington Beach and surrounding communities by race and ethnicity.

In 1990, the Huntington Beach population was 79 percent non-Hispanic White, down from 90 percent in 1980 (see Table HE-5). The proportion of those reporting themselves as Hispanic increased from 7.8 percent in 1980 to 11.2 percent in 1990. The proportion of Asian/Pacific Islanders increased from 4.9 percent to 8 percent between 1980 and 1990. Figure II-1 represents the 1990 distribution of minority household concentrations in Huntington Beach.

TABLE HE-4
POPULATION BY RACE/ETHNICITY
HUNTINGTON BEACH AND SURROUNDING COMMUNITIES

City	White	Black	Native Am.	Asian	Hisp.	Other
Anaheim	150,874	6,302	996	24,083	83,755	396
Costa Mesa	69,493	1,140	340	5,998	19,319	67
Fountain Valley	39,164	485	257	9,368	4,357	60
Huntington Beach	143,848	1,622	932	14,565	20,397	155
Newport Beach	61,727	215	148	1,884	2,648	21
Santa Ana	67,897	6,454	720	26,867	191,383	421
Seal Beach	22,513	244	48	1,025	1,253	15
Westminster	44,907	795	347	17,105	14,896	68
Orange County	1,554,501	39,159	8,584	240,756	564,828	2,728

Source: 1990 U.S. Census

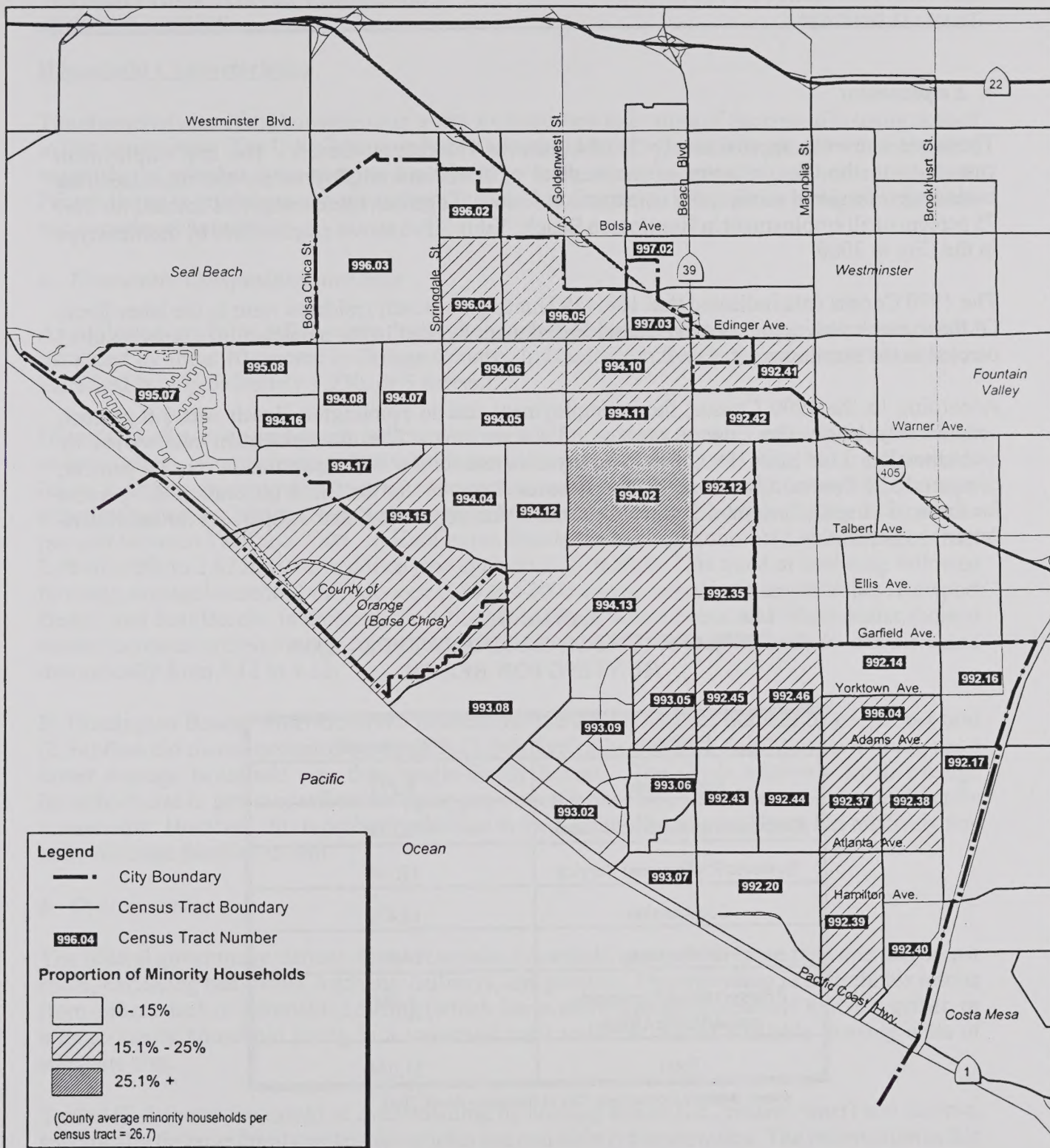
Note: Information only available through the Census. More current information unavailable.

TABLE HE-5
POPULATION BY RACE/ETHNICITY - 1980 AND 1990
HUNTINGTON BEACH

Race/ Ethnicity	1980 #	1980 %	1990 #	1990 %
*White	154,156	90	143,848	79.2
*Spanish Origin	13,427	NA	20,397	11.2
Black	1,218	0.7	1,622	0.9
Native Am.	1,204	0.7	932	0.5
Asian	8,453	5	14,565	8.0
Other	5,474	3.2	155	0.1
Total	170,505	100	181,519	100

Source: 1980, 1990 U.S. Census

*Note: Spanish origin is a sub-category of the White ethnic class, and is therefore not included in the total.



Source: U.S. Census, 1990

Minority Household Concentrations

City of Huntington Beach General Plan

II-HE-9

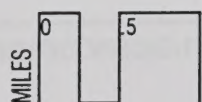


FIGURE II-1

e. Employment

There are currently approximately 51,054 jobs² in Huntington Beach. The key employment categories in the City in terms of the number of firms and employees are the manufacturing business/professional service, and construction sectors. Together, these categories account for over 75 percent of all employment in Huntington Beach. Table HE-6 shows employment by business type in the City in 2000.

The 1990 Census data indicated that 108,429 Huntington Beach residents were in the labor force. Of those employed, approximately 18 percent of them worked in the manufacturing sector and 45 percent in the service sector.

According to the 1990 Census, the unemployment rate in Huntington Beach was 3.6 percent, considerably below the County average of 4.8 percent. The unemployment rate varied by race/ethnicity. That is, in 1990, the unemployment rate for the White population was 3.4 percent, compared to 7.9 percent for those of "Other" races, 7 percent for the Black population, 6.2 percent for those of Hispanic origin, 4.2 percent for the Asian population, and 3.8 percent for the Native American population.

**TABLE HE-6
EMPLOYMENT BY BUSINESS TYPE - 2000
HUNTINGTON BEACH**

Business	# Employees
Retail Trade	9,271
Financial/Insurance/Real Estate	2,122
Business/Professional Service	13,768
Construction	10,422
Manufacturing	14,047
Transportation/Communication/Public Utility	1,424
Total	51,054

Source: Business License Dept. City of Huntington Beach, 2000.

²Source: City of Huntington Beach Business License Department, 2000.

Household Characteristics

The characteristics of the households in a city are important indicators of the type of housing needed in that community. The U.S. Census defines a household as all persons who occupy a housing unit, regardless of whether these persons are related by birth, marriage, adoption, or not related at all. People living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

a. Household Composition and Size

As indicated on Table HE-7, since 1990, the number of households, or occupied housing units, increased by about 10 percent in Orange County. In Huntington Beach, the number of households increased by approximately 3,230, or 5 percent.

Household size is an important indicator of population growth as well as an indicator of unit overcrowding. A city's average household size will increase over time if there is a trend towards larger families. In communities where the population is aging, the average household size may actually decline. In Orange County, the average household size increased from 2.87 to 3.06 persons per unit between 1990 and 2000. In Huntington Beach, the average household size declined from 2.78 in 1980, to 2.62 in 1990, and then rose again to 2.75 in 2000. This trend of declining followed by rising average household size between 1980 and 2000 also occurred in Fountain Valley, Newport Beach, and Seal Beach. In contrast, the cities of Anaheim, Costa Mesa, and Westminster showed steady increases in their average household size, and Santa Ana's average household size increased dramatically from 3.12 to 4.33.

In Huntington Beach, renter-occupied households averaged a smaller number of people per unit (2.54) than did owner-occupied households (2.68). Typically, multiple-family rental housing has a lower average household size than single-family homes. The City's relatively small average household size in part may reflect the aging population in the City, and a lower incidence of family households. However, this is probably also due to the fact that Huntington Beach has relatively few units for large families to rent.

b. Overcrowding

The federal government defines an overcrowded household as one with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. Overcrowding in households results from either a lack of affordable housing (which forces more than one household to live together, or a large-family household living in a too-small unit) and/or a lack of available housing units of adequate size.

Table HE-8 shows the extent of overcrowding by housing tenure (i.e., renter/owner) and income, specifically for large family renter-households and non-elderly homeowners. The information in this table was produced by the Department of Housing and Urban Development (HUD) based on 1990 Census data, and was provided for large-family, non-elderly, and total households only. This table illustrates that unit overcrowding in Huntington Beach has a much higher incidence among renter households than among owner households, regardless of income level. Specifically, according to

TABLE HE-7
NUMBER OF HOUSEHOLDS/AVERAGE HOUSEHOLD SIZE -
1990 AND 2000
HUNTINGTON BEACH AND SURROUNDING COMMUNITIES

City	1990 Total Households	1990 Persons per Household	2000 Total Households	2000 Persons per Household
Anaheim	87,588	2.994	93,945	3.261
Costa Mesa	37,467	2.510	38,457	2.724
Fountain Valley	17,407	3.067	17,612	3.214
Huntington Beach	68,879	2.624	72,109	2.753
Newport Beach	30,860	2.137	33,255	2.252
Santa Ana	71,637	3.997	71,594	4.332
Seal Beach	13,370	1.858	13,367	2.034
Westminster	25,116	3.102	26,041	3.351
Orange County	827,097	2.870	911,122	3.063

Source: 1990 U.S. Census, 2000 figures from State Department of Finance.

TABLE HE-8
OVERCROWDED HOUSEHOLDS
HUNTINGTON BEACH

Income Group	Percent Overcrowded by Income Group			
	Large-Family Rental Households	Total Rental Households	Non-Elderly Owner Households	Total Owner Households
Extremely Low Income (0-30% MFI)	81.6%	13.6%	1.6%	0.6%
Very Low Income (31-50% MFI)	83.5%	19.5%	7.3%	3.2%
Other Low Income (51-80% MFI)	61.9%	13.5%	4.8%	2.6%
Total Overcrowding	56.4%	8.9%	2.1%	1.6%

Source: HUD CHAS Data Book, Table 8, 1994 (Based on 1990 Census Data)

MFI = Median Family Income

the 1999 SCAG Regional Housing Needs Assessment, 2,656 renter households were overcrowded, as opposed to 684 owner households. Furthermore, the incidence of overcrowding is even higher for lower income large-family renters, with over 80 percent of the extremely low and very low income larger renter households experiencing overcrowded conditions in 1990. This is an indication of the limited supply of affordable large (i.e., three or more bedrooms) rental units in Huntington Beach, and the doubling up of households to save on housing costs.

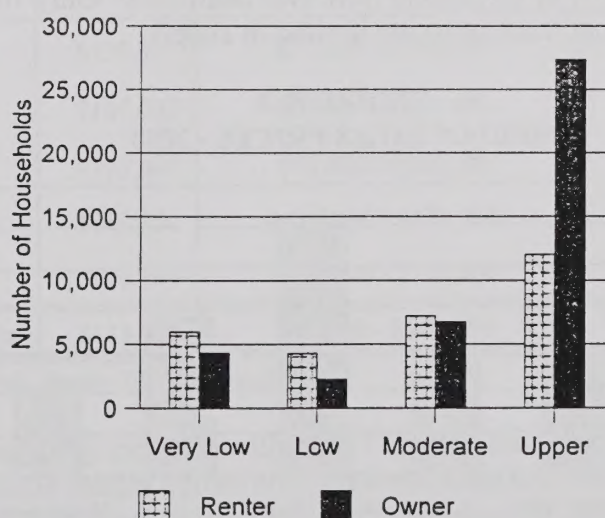
c. Income Distribution

Income is a major factor influencing the demand for housing and, to a large extent, reflects the affordability of housing in a community. The State Department of Housing and Community Development has developed the following income categories based on the median family income (MFI) of a Metropolitan Statistical Area:

- Very Low Income: 50 percent or less of the area MFI
- Low Income: between 51 and 80 percent of the MFI
- Moderate Income: between 81 and 120 percent of the area MFI
- Upper Income: greater than 120 percent of the area MFI

Figure II- 2 illustrates the City's household income distribution, as estimated by the Regional Housing Needs Assessment developed by SCAG in 1998. As can be expected, renters are more prevalent among low and moderate income groups, whereas owners comprise over two-thirds of upper income households. The high incidence of very low income owner households is likely reflective of senior homeowners on fixed incomes.

FIGURE II-2
HOUSEHOLD INCOME DISTRIBUTION (1998)
HUNTINGTON BEACH



Source: *Regional Housing Needs Assessment*, 1998.

In comparison to the County, Huntington Beach has a comparable proportion of low and moderate income households. More specifically, in Huntington Beach, approximately 15, 10, and 20 percent of households are in the very low-, low-, and moderate-income groups, respectively, whereas in the County, approximately 19, 12, and 21 percent are in the very low-, low-, and moderate-income groups, respectively. Upper income households make up a larger proportion of the households in Huntington Beach (55 percent) than in the County (48 percent).

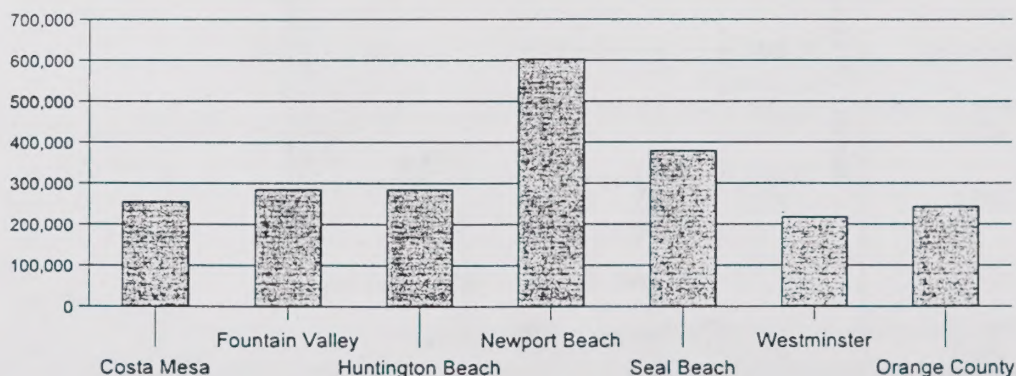
d. Housing Affordability and Overpayment

Housing Prices: The median housing unit value in Orange County is one of the highest in the state. According to the 1990 Census, the median value of an owner-occupied dwelling unit more than doubled since 1980, increasing from \$108,100 in 1980 to \$252,700 in 1990. Compared to surrounding cities, Huntington Beach had the third highest median housing value in 1990 after Newport Beach and Seal Beach.

More recent data from the California Association of Realtors (CAR) indicate that Huntington Beach and Fountain Valley have the third highest median home price among the eight cities. According to CAR, the median sales price of a home in Huntington Beach in the first quarter of 2000 was \$285,000. Figure II-3 shows the 2000 median home values for Huntington Beach and nearby cities and the County.

Detailed housing market sales data for the City are provided in Tables HE-9 and HE-10. The median sale prices of single-family homes and multi-family units are \$283,000 and \$181,500, respectively. The sales volume of single-family homes is fairly high between January 1999 and December 1999. Specifically, single-family homes with three to four bedrooms have been the most popular with home buyers: 934 or 82 percent of the 2,020 homes sold have three to four bedrooms. The multi-family housing market has also been active, with 635 sales between January 1999 and December 1999. Of the multi-family units sold, 391 or 61 percent have two bedrooms. Only 108 three-bedroom units were sold, likely indicating that these units are limited in supply.

FIGURE II-3
MEDIAN SALES PRICES - 2000



Source: California Association of Realtors, 1st Quarter 2000

TABLE HE-9
PRICES OF SINGLE-FAMILY HOMES -
JANUARY 1999 to DECEMBER 1999
HUNTINGTON BEACH

Number of Bedrooms	Median Price	Price Range	Number of Units Sold
1	\$136,000	\$80,000 - \$585,000	41
2	\$219,000	\$75,000 - \$965,000	244
3	\$217,000	\$95,000 - \$2,200,000	934
4	\$320,000	\$118,000 - \$2,704,000	723
5	\$379,000	\$220,000 - \$1,200,000	73
6	\$382,000	\$306,000 - \$840,000	5
Median/Total	\$283,000	\$64,500 - \$675,000	2,020

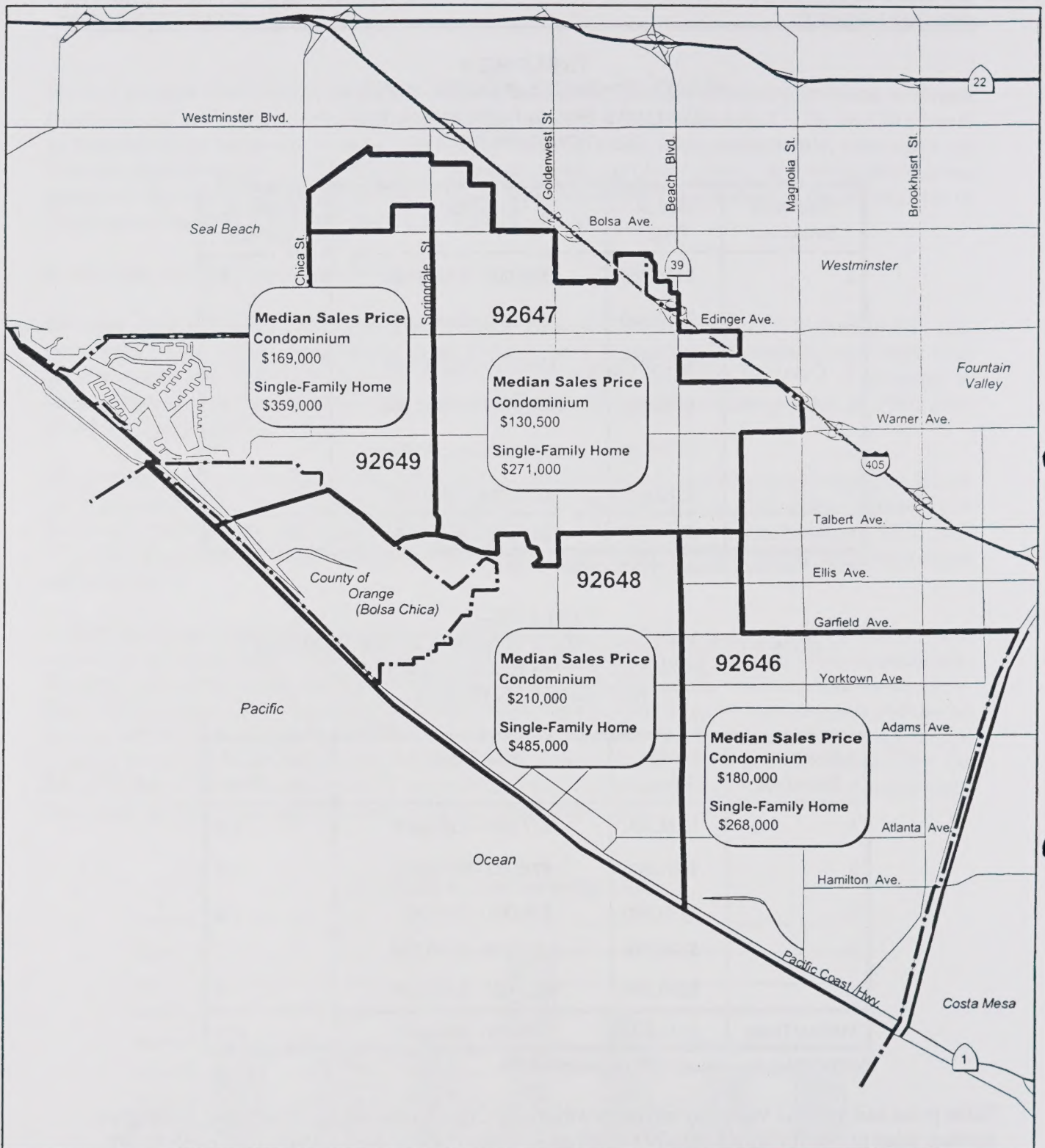
Source: Dataquick, January 1999 to December 1999

TABLE HE-10
PRICES OF MULTI-FAMILY HOMES/CONDOMINIUMS -
JANUARY 1999 to DECEMBER 1999
HUNTINGTON BEACH

Number of Bedrooms	Median Price	Price Range	Number of Units Sold
1	\$138,000	\$77,000 - \$366,000	133
2	\$185,000	\$76,000 - \$390,000	391
3	\$193,000	\$79,000 - \$540,000	108
4	\$389,750	\$309,000 - \$470,500	2
5	\$390,000	\$390,000 - \$390,000	1
Median/Totals	\$113,500	\$76,000 - \$540,000	635

Source: Dataquick, January 1999 to December 1999

Sales price and volume varies by zip code within the City. As shown on Figure II-4, the highest median sales prices for single-family homes and condominiums are located in zip code 92648. The highest volume of condominium sales, 208 units, took place in zip code 92648 whereas the highest volume of single-family home sales, 766 units, took place in zip code 92646.



Source: Dataquick, January 1999-2000

Median Sales Price of Single-Family Homes and Condominiums

City of Huntington Beach General Plan

II-HE-16

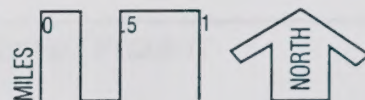


FIGURE II-4

Housing Rental Rates: Between 1980 and 1990, housing unit rental rates have increased 122 percent in the City and 116 percent in the County as a whole. In 1990, the median monthly rent in Huntington Beach was \$808, and the median monthly rent for the entire County was \$728.

Compared with surrounding communities, Huntington Beach had the third highest median monthly rent in 1990 after Newport Beach (\$961), and Fountain Valley (\$846). City rents were above those in Seal Beach (\$790), Costa Mesa (\$759), Westminster (\$690), Santa Ana (\$679), and Anaheim (\$661).

Table HE-11 summarizes current rental rates in the City based on data from REALFACTS, a service which provides information for rental complexes of 100 units or more. Twenty-eight complexes in Huntington Beach were included in the survey, comprising 6,316 units.

**TABLE HE-11
RENTAL RATES IN COMPLEXES WITH 100+ UNITS
MARCH 2000
HUNTINGTON BEACH**

Type	Bedrooms	Units	Average Rent
Apartment	Studio	311	\$793
	1	2,972	\$889
	2	2,478	\$1,086 - \$1,150 ¹
	3	261	\$1,326
Townhome	2	174	\$1,224
	3	120	\$1,408

Source: REALFACTS, 2000

¹ = \$1,086 represents the average rent for a two bedroom, 1 bath and \$1,150 represents the average rent for a two bedroom, 2 bath.

The largest supply of rental units in the City was in the one bedroom and two bedroom apartment categories, with 86 percent of the City's rentals falling in these two categories. Average rents on these units were \$889 and \$1,086 to \$1,150, depending on the number of bathrooms, respectively. Only 6 percent of the rental stock in the City were three bedroom units. Rents for these units average \$1,326 and \$1,408 for apartments and townhomes, respectively.

Housing Cost and Affordability: Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs to households of different income levels. Taken together, this information can reveal who can afford what size and type of housing as well as indicate the type of households that would likely experience overcrowding or overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys for metropolitan areas across the country, including Orange County. These income surveys are adjusted for differences in the type and size of a family. HUD uses these income levels to determine the maximum amount that a household could pay for housing and their eligibility for federal housing assistance. According to HUD, the 2000 Area Median Family Income (MFI) for a four-person household in Orange County is \$69,600.

Table HE-12 provides the annual income for very low, low, and moderate-income households by the size of the family and the maximum affordable housing payment based on the federal standard of 30 percent of gross household income. Standard housing costs for utilities, taxes, and property insurance are also shown. From this income and housing cost information, the maximum affordable home prices and rents are determined.

**TABLE HE-12
HOUSING AFFORDABILITY MATRIX (2000)
COUNTY OF ORANGE**

Income Group	Income Levels		Housing Costs		Maximum Affordable Price	
	Annual Income	30% of Monthly Income	Utilities	Taxes and Insurance	Home	Rental
Very Low						
One Person	\$24,350	\$609	\$50	\$150	\$64,955	\$559
Small Family	\$31,300	\$783	\$100	\$150	\$84,621	\$683
Large Family	\$37,600	\$940	\$150	\$150	\$101,704	\$790
Low						
One Person	\$35,150	\$879	\$50	\$150	\$99,916	\$829
Small Family	\$45,200	\$1,130	\$100	\$150	\$131,897	\$1,030
Large Family	\$54,200	\$1,355	\$150	\$150	\$159,706	\$1,205
Moderate						
One Person	\$58,450	\$1,461	\$50	\$150	\$192,482	\$1,411
Small Family	\$75,150	\$1,879	\$100	\$150	\$250,882	\$1,779
Large Family	\$90,200	\$2,255	\$150	\$150	\$302,727	\$2,105

Notations:

1. Small Family = 3 persons; Large Family = 5 persons
2. Utility costs for renters assumed at \$50 per month
3. Monthly affordable rent based upon payments of no more than 30% of household income
4. Property Taxes and Insurance based on averages for the region
5. Affordable home price is based on down payment of 10%, annual interest of 7.5%, a 30-year mortgage, and monthly payment of 30% of gross household income.

Very low-income households in the City earn 50% or less of the County median family income - between \$24,350 and \$37,600 depending on the size of the family. Based on financing criteria noted earlier, the maximum affordable home price for a very low-income household ranges from \$64,955 and \$101,704. Because the majority of homes in the City exceed \$101,704 and the down-payment requirement is particularly burdensome for very low-income households, these households are typically limited to the rental market.

Average apartment rents in the City are as follows: \$793 for a studio, \$889 for a one-bedroom, \$1,086 - \$1,150 for a two-bedroom (depending on the number of bathrooms), and \$1,326 for a three-bedroom unit. After deductions are taken for utilities, however, a very low-income household can only afford to pay \$559 to \$790 in rent per month, depending on the family's size. This means that a one-person household could not afford an average priced studio apartment without overpayment or doubling up with other roommates. The problem is exacerbated for larger families who earn very low income.

Low-income households earn 80% or less of the County's median family income - between \$35,150 to \$54,200 depending on the family's size. The maximum affordable home price for a lower-income household ranges from \$99,916 for one-person to \$159,706 for a five-person family. Based on the sales data presented in Table HE-9 a one-person household and small family households can not afford the median sales price for a home in the City, regardless of size. A large family can afford a one-bedroom home, however, this would result in overcrowding.

Average apartment rents in the City are \$793 for a studio, \$889 for a one-bedroom unit, \$1,086 - \$1,150 for a two-bedroom (depending on the number of bathrooms), and \$1,326 for a three-bedroom unit. After deductions for utilities, a low income household can afford to pay \$829 to \$1,205 in rent per month, depending on family size. As a result, a one-person household can afford an adequately sized studio. However, small and large families cannot afford an adequately sized apartment.

Moderate-income households in the City earn 120% or less of the County median family income -- between \$58,450 to \$90,200 depending on the size of the family. The maximum affordable home price for a moderate-income household ranges from \$192,482 for a one-person household to \$302,727 for a large family household. One-person, small and large family households can afford the median sales price for a home in the City. More specifically, one-person households can afford the median sales price for one-bedroom homes, and small and large families can afford the median sales price for one-, two-, and three-bedroom homes in the City. However, these size homes for a large family may result in an overcrowding situation. One-person, small family, and large family households all can afford adequately sized apartments.

e. Special Needs Groups

Certain segments of the population may have a more difficult time finding decent, affordable housing due to their special circumstances or needs. These "special needs" households include elderly persons, disabled persons, large households, female-headed households, farmworkers, and the homeless.

Elderly: The population over 65 years of age has four main concerns:

- Income - People over 65 are usually retired and living on a fixed income;
- Health Care - Because the elderly have a higher rate of illness and dependency, health care and supportive housing is important;
- Transportation - Many seniors use public transit. However, a significant number of seniors have disabilities and require alternative transportation; and
- Housing - Many seniors live alone and are renters.

These characteristics indicate a need for smaller, lower cost housing units with easy access to public transit and health care facilities.

According to the 1990 Census, there are an estimated 15,088 elderly persons (i.e., 65+ years of age) in the City of Huntington Beach, representing 8.3 percent of the total population. Of these, approximately 32 percent, or 4,795 are considered "frail" elderly persons (people with one or more limitations to daily activities). According to the CHAS Data Book, an estimated 2,840 elderly households in the City are lower income households in need of housing assistance. Assuming the same proportion (32 percent) of these elderly are frail, it can be estimated that 909 of Huntington Beach's lower income elderly households are frail elderly in need of housing assistance.

Given the size of the elderly population in Huntington Beach and the number of those in need of housing assistance, the existing inventory of assisted housing and supportive housing for elderly in the City is inadequate to serve the needs.

Disabled: Persons with disabilities include those with mental, developmental, and physical disabilities. According to the 1990 Census, there are 14,098 Huntington Beach residents with work, mobility, and/or self-care disabilities, comprising 9 percent of the City's population. Housing for physically disabled persons must not only be affordable, but also contain special construction features to be accessible. The location of housing for disabled persons is also important because many such households need access to a variety of social services and to specialized handicapped access facilities. In addition to the housing needs of the physically disabled described above, there should be support services designed to meet individual needs.

While no current comparisons of disability with income, household size, or race are available, it can be assumed that a substantial number of disabled persons fall within the federal Section 8 income limits, particularly those households not in the labor force. Housing opportunities for individuals with disabilities can be addressed through the provision of affordable, barrier-free housing.

Rehabilitation assistance can be targeted to disabled renters and homeowners for unit modifications to improve accessibility. Accessible housing for the disabled can also be provided through development of housing for seniors.

Large Households: Large households are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large households are often

of lower income, frequently resulting in the overcrowding of smaller dwelling units and in turn, accelerating unit deterioration.

The 1990 Census reports 6,447 households with five or more members in Huntington Beach, representing 9 percent of the City's total households. The tenure distribution of large households is as follows: 3,683 owner-occupied, and 2,764 renter-occupied. According to the City's 1995 Consolidated Plan, 1,197 large family renters were lower income and in need of housing assistance, and approximately 56 percent of these households live in overcrowded conditions. This indicates a need for large (i.e., three or more bedrooms) affordable rental units in the City.

Female-Headed Households: Female-headed households with children require special consideration and assistance because of their greater need for day care, health care, and other facilities. These households tend to have lower incomes than other groups, which limits housing availability for this group. In 1990, Huntington Beach had 6,576 female-headed family households, 3,633 or 55 percent with children. The 1990 Census also indicates that approximately 15 percent of these female-headed families with children had incomes below the poverty level. These households need affordable supportive services, such as day care and health care, as well as affordable housing opportunities.

Farmworkers: The special housing needs of farmworkers stem from their low wages and the insecure, seasonal nature of their employment. The 1990 Census indicated that there were 932 Huntington Beach residents employed in farming, forestry, or fishing occupations, which is less than one percent of the City's workforce. Farmworkers have a need for affordable housing for families, as well as single people.

Homeless: Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in the number of homeless people include the economic recession, a general lack of housing affordable to lower income persons, reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

As indicated in the City's 2000 Consolidated Plan, the exact size of the homeless population in Huntington Beach is difficult to estimate because of the transient character of the homeless and their dispersed locations. According to the Consolidated Plan, interviews with service providers, City staff, and agencies involved with homeless issues, the City of Huntington Beach does not perceive itself as having a dramatic homeless problem, but more importantly finds a need for more affordable housing and finds a need to assist individuals and families at risk of becoming homeless.

The 1990 Census data on the homeless reported seven residing in emergency shelters and none visible on the streets in Huntington Beach. Of note is that it has been widely acknowledged that the methodology used in the Census for estimating the number of homeless was ineffective in systematically identifying and quantifying the numbers of homeless persons, which resulted in a substantial undercount. In 1995, the Episcopal Service Alliance, located in the downtown area, reports serving approximately 75 homeless persons monthly in Huntington Beach.

Based on estimates by the Orange County Homeless Issues Task Force, the County's homeless population consists of approximately 10,000 to 12,000 individuals, representing 0.4 to 0.5 percent

of the County's population. In contrast to the public perception of the homeless person as a single man often on drugs or alcohol, the composition of this population is becoming increasingly heterogeneous and complex. The homeless include families, children, single women, and the temporarily unemployed.

As a beach community, the City attracts numerous individuals who congregate along the beach, under the pier, by the Santa Ana River, and in Central Park. As most homeless individuals migrate to available services, social service agencies located outside the City also serve the Huntington Beach homeless.

In October 1993, the Research Committee of the Orange County Homeless Issues Task Force issued a report titled, "Demographic Profile and Survey of Homeless Persons Seeking Services in Orange County." The report compares data from two homeless surveys (1990 and 1993). According to the demographic profile contained in the report:

- Approximately 56 percent of 1993 respondents were single, where 48 percent of the 1990 respondents were single.
- Approximately 59 percent of respondents in both surveys were White.
- The 1990 sample had a slightly smaller proportion of African-Americans and a higher proportion of Latino/Hispanic respondents.
- Approximately 16 percent of the 1993 sample were veterans, whereas 22 percent of the 1990 sample were veterans.
- Approximately 68 percent of the 1993 respondents were unemployed and looking for work, whereas 61 percent of the 1990 respondents were unemployed and looking for work.
- The average length of residence in Orange County for the 1993 sample was 14.6 months, and the average length of residence for the 1990 sample was 11.92 months.

A 1990 study entitled "Hunger in Orange County" by Anne Cotter is an update of an ongoing survey begun in May, 1988. The study estimated that only 17 percent of all Orange County families had incomes which would qualify them to buy homes.

The above information on the homeless indicates a need for additional emergency shelters as well as transitional housing that includes an array of services, including job training and child care. A variety of housing types and services should be provided to serve the various subpopulations such as single men and women, families, and battered women.

The study by Ms. Cotter also described those who are considered to be "at-risk" of becoming homeless. About one-third of all Orange County families paid a larger percentage of their incomes on housing than the federal guidelines recommended, which makes them vulnerable to becoming homeless upon loss of employment or reduction in incomes.

Persons "At-Risk" of Becoming Homeless: The "at-risk" population is comprised of very low-income families and individuals who upon loss of employment would lose their housing and end up residing in shelters, with friends or family, or becoming homeless. Lower-income families, especially those earning less than 50 percent of the regional median income, are at particular risk of becoming homeless. These families are generally experiencing a cost burden, paying more than 30 percent of their income for housing. In more severe cases, some families pay more than 50 percent of their income for housing.

The "at-risk" population also includes individuals who are in imminent danger of residing in shelters or of being unsheltered because they lack access to permanent housing and do not have an adequate support network, such as parents or relatives in whose homes they could temporarily reside. These individuals, especially battered women and children, runaway or abandoned youth, those being released from penal, mental or substance abuse facilities require social services that help them make the transition back into society and remain off the streets. Needed services include counseling, rental assistance, and job training assistance.

The "at-risk" population needs housing that is subsidized in some way to prevent them from becoming homeless. This need can be met through any housing program that provides for affordable rents.

D. HOUSING STOCK CHARACTERISTICS

This section describes characteristics of the housing supply in Huntington Beach, including type, age, condition, and availability.

a. Housing Growth

Huntington Beach is a suburban community with relatively little vacant land remaining for new development. Most of the City's residential development occurred between 1960 and 1979, and another 17 percent of the City's housing was built between 1980 and 1990. According to the Census, Huntington Beach had a housing stock of 72,736 units in 1990, representing a moderate 14 percent increase over the number of units in 1980.

b. Housing Type and Tenure

Housing Type: During the 1960s, vacant land was plentiful in Huntington Beach, and housing construction was characterized almost exclusively by large tracts of single-family homes. During the early 1970s, condominium developments and small multiple-family rental units became popular in response to changing housing demands, land constraints, and market conditions. Housing growth in the 1980s was characterized by multiple-family apartments and condominiums, lower density duplex and triplex units, and some single-family dwellings.

Between 1990 and 2000, the number of single-family units increased by 7 percent (from 43,441 to 46,640 units), while the number of multiple-family units increased by less than 1 percent (from 26,095 to 26,308 units). The number of mobile homes remained the same at 3,200 units. The overall distribution of housing types remains relatively stable in Huntington Beach, with single-family housing units still comprising the majority (61 percent) of the City's housing stock. Approximately 35 percent of the City's housing units are multiple-family units. Table HE-13 shows the distribution of the City's housing stock by housing type in 1990 and 2000.

Housing Tenure: The tenure distribution of a community's housing stock (i.e., owner vs. renter) influences several aspects of the local housing market. Residential mobility is influenced by tenure, with ownership housing having a much lower turnover rate than rental housing. Housing overpayment, while faced by many households regardless of tenure, is far more prevalent among renters. Tenure preferences are primarily related to household income, composition, and age of the householder.

In 1980, owner-occupied housing comprised about 57.6 percent (35,208 households) of Huntington Beach's households. The proportion of owner-occupied housing in 1990 had remained nearly the same at 58.5 percent, although the number increased to 40,284 households.

Age and Condition of Single-Family Housing Stock: City Code Enforcement and Housing staff began conducting a housing condition survey during 1995, finishing it in July, 1996. The survey covers the exterior of the units only, and was completed while staff was out in the field responding to code compliance complaints. The determination of condition was based on a point system. That is, the condition of a number of features, such as the roof, paint, and landscaping were given a rating

**TABLE HE-13
HOUSING TYPE AND VACANCY RATE - 1990 AND 2000
HUNTINGTON BEACH**

Housing Unit Type	1990		2000	
	Number	Percent of Total Housing Units	Number	Percent of Total Housing Units
Single-Family	43,441	59%	46,640	61%
Multiple-Family	26,095	35%	26,308	35%
Mobile Home	3,200	4%	3,200	4%
Total Housing Units	72,736	100%	76,148	100%
Total Occupied Units	68,879	95%	72,109	95%
Vacancy Rate	--	5.30%	--	5.30%

Source: 1990 U.S. Census and Department of Finance 2000 Estimates

of 1, 2, or 3. A rating of 1 means the feature is in good condition, a 2 means the feature is in fair condition, and a 3 means the feature is in poor condition. The scores of all the features were then combined for the property and categorized such that an overall score of up to 10 means the property is in good condition, an overall score of 11-20 indicates the property is in fair condition, and an overall score of more than 21 indicates a property in need of considerable repair. Of the 35,125 properties surveyed to date³, 28,485 (81 percent) were determined to be in good condition, 6,041 (17 percent) were determined to be in fair condition, and 599 (less than 2 percent) were determined to be in poor condition.

More recently, in January 2000, City Code Enforcement staff conducted a focused quality housing survey of 277 buildings in the Oakview Enhancement Area. The purpose of the survey was to determine the exterior condition and upgrade the buildings found to be substandard per the Uniform Housing Code. The survey criteria was based on three categories: good, fair, and poor. A majority (75 percent) of the 277 buildings surveyed were found to be in fair condition, 22 percent in good condition, and 3 percent in poor condition. Violation notices were sent to the property owners of the eight substandard buildings and all eight have either complied with the notice or are in the process of doing so.

The Code Enforcement staff will begin Phase 2 of the survey in July 2000. The goal of Phase 2 is to upgrade the marginal buildings found in the 'fair' category. The upgrade effort is projected to last six months.

³ As of July 15, 1996.

E. ASSISTED HOUSING AT RISK OF CONVERSION TO MARKET RATE HOUSING

According to Government Code Section 65583 (a)(8), (c)(6), jurisdictions must evaluate the potential for currently rent restricted low-income housing units to convert to non-low-income housing and propose programs to preserve or replace those units. This section identifies the City's assisted housing units that are at risk of converting to market rate housing between 2000 and 2010.

a. *Inventory of Assisted Housing Units in Huntington Beach*

All multi-family rental units assisted under federal, State, and/or local programs, including HUD programs, State and local bond programs, redevelopment programs, and local in-lieu fee, inclusionary, density bonus, or direct assistance programs are included. The inventory was compiled by interviews with City staff and review of "Inventory of Federally Subsidized Low-Income Rental Units at Risk of Conversion" (California Housing Partnership Corporation) and "The Use of Housing Revenue Bond Proceeds - 1994" (California Debt Advisory Commission). Table HE-14 provides a description of assisted housing developments in Huntington Beach.

**TABLE HE-14
ASSISTED HOUSING PROJECTS
HUNTINGTON BEACH**

Housing Development	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Potential Conversion Date
City Multi-Family Revenue Bond Projects					
Emerald Cove 18191 Parktree Circle	Senior	164	164	City Multi-Family Revenue Bond	Perpetuity
Huntington Village 16171 Springdale Street	Senior	114	29	City Multi-Family Revenue Bond	2007
Huntington Breakers 21270 Beach Blvd.	Family	342	68	City Multi-Family Revenue Bond	2006
Five Points Villas 18561 Florida Ave	Senior	166	32	City Multi-Family Revenue Bond and Set Aside	2022
Federally Assisted Projects					
Huntington Villa Yorba 16200 Villa Yorba	Family	198	192	236(J)(1) Section 8	2013 annual renewals

COMMUNITY DEVELOPMENT CHAPTER
HOUSING ELEMENT

Housing Development	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Potential Conversion Date
Wycliffe Gardens 18765 Florida Avenue	Senior	185	185	231 Section 8	2021 annual renewals
Surfside Villas 21117 Sundown	Family	75	75	221(D)(4) Section 8	2002
Density Bonus Projects					
17230 Elm Street	Family	7	1	Density Bonus	2001
2418/2420 Huntington Street	Family	21	4	Density Bonus	2002
303-309 Yorktown	Family	9	2	Density Bonus	2004
5081 Dunbar	Family	6	1	Density Bonus	2001
7581 Warner Ave	Family	11	2	Density Bonus	2004
7591 Holt Ave	Family	11	2	Density Bonus	2002
7891 Holt Ave	Family	8	1	Density Bonus	2002
7901 Holt Ave	Family	8	1	Density Bonus	2002
7916 Stark	Family	8	1	Density Bonus	2001
7924 Stark	Family	8	1	Density Bonus	2001
Harbor Gateway 4691 Warner Ave	Family	102	20	Density Bonus	2002
Oceanaire Apartments 7811 Talbert	Family	65	62	Density Bonus	2026
Parkview Apartments 2201 Delaware Street	Family	28	14	Density Bonus	2000
Redevelopment Set Aside					
725-733 Utica	Family	36	36	Set Aside	2024
Bridges Foundation 16112 Sher Lane	Family	66	66	Set Aside	2028
Project Self Sufficiency 313 11 th Street	Family	9	9	Set Aside	2024

Housing Development	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Potential Conversion Date
HOME Funds					
Interval House Cypress Ave	Family	6	6	HOME	2029
OCCHC 17372 Keelson Lane	Family	4	4	HOME	2024
OCCHC 17382 Keelson Lane	Family	4	4	HOME	2024
OCCHC 17291 Koledo Lane	Family	4	4	HOME CDBG	2027
OCCHC 17351 Koledo Lane	Family	4	4	HOME CDBG	2027
OCCHC 17361 Koledo Lane	Family	5	5	HOME	2026
OCCHC 17371 Koledo Lane	Family	5	5	HOME	2026
OCCHC 17401 Koledo Lane	Family	5	5	HOME	2030
OCCHC 17432 Koledo Lane	Family	5	5	HOME	2030
OCCHC 17422 Queens Lane	Family	4	4	HOME	2026
OCCHC 17432 Queens Lane	Family	4	4	HOME	2026
Shelter for the Homeless 7802 Barton Drive	Family	4	4	HOME	2030
Shelter for the Homeless 7812 Barton Drive	Family	4	4	HOME	2024
TOTAL		1,705	1,026		

Loss of Assisted Housing

This section evaluates those lower income multi-family rental projects in Huntington Beach that are at-risk of converting to market-rate uses prior to June 30, 2010. As shown in Table HE-15, seventeen affordable housing projects are considered to be at-risk during this period, totaling 599 lower income assisted units.

**TABLE HE-15
AT-RISK HOUSING INVENTORY**

Housing Development	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Potential Conversion Date
City Multi-Family Revenue Bond Projects					
Huntington Village 16171 Springdale Street	Senior	114	Studio = 1 1BR = 27 2BR = 1	City Multi-Family Revenue Bond	2007
Huntington Breakers 21270 Beach Blvd.	Family	342	Studio = 25 1BR = 36 2 BR = 7	City Multi-Family Revenue Bond	2006
Federally Assisted Projects					
Huntington Villa Yorba 16200 Villa Yorba	Family	198	1BR = 21 2 BR = 152 3 BR = 19	236(J)(1) Section 8	2013* 2000*
Wycliffe Gardens 18765 Florida Avenue	Senior	185	1 BR = 185	231 Section 8	2021* 2000*
Surfside Villas 21117 Sundown	Family	75	2BR = 31 3 BR = 22 4 BR = 22	221(D)(4) Section 8	2002
Density Bonus Projects					
17230 Elm Street	Family	7	2 BR = 1	Density Bonus	2001
2418/2420 Huntington Street	Family	21	2 BR = 4	Density Bonus	2002
303-309 Yorktown	Family	9	2 BR = 2	Density Bonus	2004
5081 Dunbar	Family	6	2 BR = 1	Density Bonus	2001
7581 Warner Ave	Family	11	2 BR = 2	Density Bonus	2004
7591 Holt Ave	Family	11	2 BR = 2	Density Bonus	2002
7891 Holt Ave	Family	8	2 BR = 1	Density Bonus	2002
7901 Holt Ave	Family	8	2 BR = 1	Density Bonus	2002
7916 Stark	Family	8	2 BR = 1	Density Bonus	2001
7924 Stark	Family	8	2 BR = 1	Density Bonus	2001
Harbor Gateway 4691 Warner Ave	Family	102	1BR = 19 2 BR = 1	Density Bonus	2002

Housing Development	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Potential Conversion Date
Parkview Apartments 2201 Delaware Street	Family	28	2 BR = 14	Density Bonus	2000
TOTAL		1,141	Studio=26 1BR=288 2BR=222 3BR=41 4BR=22		

* These dates represent earliest possible conversion date and potential extension of affordability.

Use restrictions on these projects are governed by three different programs: mortgage revenue bonds, Section 8 and density bonuses. The following describes these at-risk projects by program type.

Mortgage Revenue Bond Projects

Projects financed by mortgage revenue bonds are required to provide 20% of the units to households earning 80% or less of the area median income for a period no less than one-half the term of the bond. A typical bond-financed project has a 20-year term. In Huntington Beach, two of the City's four bond financed projects are at-risk of converting to market rate prior to 2010.

Huntington Village: Huntington Village is a 114-unit senior housing project financed in part through the Redevelopment Agency. For this project, the Redevelopment Agency issued Multi-Family Mortgage Revenue Bonds in exchange for 20-year low income use restrictions on 25 percent of the units in the project, totaling 29 units. Low income use restrictions on this project are eligible to expire in 2007.

Huntington Breakers: There are 342 units in Huntington Breakers, 68 (20%) of which are restricted for low-income use pursuant to the the Redevelopment Agency issued Multi-Family Mortgage Revenue Bond. Low-income use restrictions on this project are eligible to expire in 2006. There are also 17 moderate-income units required through Density Bonus; however, Table HE-15 only accounts for lower-income restricted units.

Project-Based Section 8 Contracts

The Section 8 program provides property owners guaranteed rental payments, in return for maintaining their housing units as affordable to lower income households. Under HUD rules, property owners are guaranteed a minimum rent payment equal to the HUD-determined fair-market rent (FMR) or negotiated payment standard (typically higher than FMR). Tenant payments are restricted to 30% of their income. The difference between the payment standard and tenant rent is paid by HUD.

Recent federal legislation has been enacted to address the expiration of Section 8 contracts. The goal is to ensure that Section 8 projects receive as close as possible to prevailing rents within a community. For projects that are currently over-subsidized, the Mark-to-Mark program is designed to lower excess rental payments in return for substantial incentives, while the Mark-up-to-Market program is designed to bring up under-subsidized projects.

Upon expiration of Section 8 contracts, owners with HUD-issued mortgages have two options. Projects *above* fair market rents can participate in the Mark-to-Mark program that reduces rents to fair market in return for favorable tax treatment and debt restructuring. For projects renting at *below* fair market rents, owners can participate in the Mark-up-to-Market program which allows rents to be marked up to comparable market rents – which is especially important in escalating rental markets such as Huntington Beach.

The following three housing projects maintain project-based Section 8 contracts with HUD, and are at risk of conversion to market rate:

Huntington Villa Yorba: Huntington Villa Yorba is a 198-unit HUD Section 236(J)(1) project. In September 1994, the project owner filed a revised Plan of Action to Extend the Low-Income Affordability Use Restrictions through its application to convert the complex to all Section 8 contracts. The project's mortgage now extends through May 2013. The current Section 8 contract period is through May 2000, although the 1998 Federal Balanced Budget Agreement is committed to providing Section 8 funding through at least 2002 for all expiring Section 8 contracts.

Wycliffe Gardens: Wycliffe Gardens is a 185-unit Section 231 elderly project with a mortgage extending through 2021. While the mortgage on this project is not eligible for prepayment, the Section 8 contracts associated with all the units are subject to continued renewal by HUD. The current Section 8 contract period is through October 2000, although federal funding is in place to assure renewal through at least 2002.

Surfside Villas: Surfside Villas is a 75-unit Section 221(D)(4) project for family households. This program does not have income limits for project tenants or project rent thresholds, although projects insured under this program may include Section 8 tenants. Surfside Villas does receive Section 8 subsidies under the Housing Assistance Payment Contract (HAP Contract) with a twenty year term eligible for expiration in March 2002.

Density Bonus Projects

Twelve density bonus projects are at-risk of converting to market rate housing prior to 2010. The City granted these projects a density increase of at least 25 percent in exchange for 20 percent of the projects' units being set aside for low-income households. The 50 density bonus units in these twelve projects are restricted through an agreement between the City and the buildings' owners for a period of 15 years, all of which will expire within the next 10 years.

b. Preservation and Replacement Options

Preservation or replacement of the seventeen at-risk projects can be achieved in several ways: 1) transfer of ownership to non-profit organizations; 2) provision of rental assistance to tenants using other funding sources; 3) replacement or development of new assisted multi-family housing units; 4) purchase of affordability covenants; and/or 5) refinance of mortgage revenue bonds on bond funded units. These options are described below, along with a general cost estimate for each.

Transfer of Ownership

Transferring ownership of for-profit at-risk projects to non-profit organizations is perhaps the least costly way to ensure that for-profit units remain affordable in the long-term. Of the at-risk units, ownership transfer may have application to the city's three Section 8 projects where 100% of the units are affordable. In density bonus and bond projects where only a portion of the units are lower income, it is generally not cost-effective for a non-profit to purchase the entire apartment complex. By transferring ownership of the Section 8 projects (Huntington Villa Yorba, Wycliffe Gardens, and Surfside Villas) to a non-profit housing corporation, low income use restrictions can be secured indefinitely and projects would become eligible for a greater range of governmental assistance. The feasibility of this option depends on several factors, including the willingness of the apartment owner to sell the project, the existence of non-profit corporations with sufficient administrative capacity to manage the project, and availability of funding.

The current market value for Huntington Villa Yorba, Wycliffe Gardens and Surfside Villas is generally estimated in Table HE-16, based on the projects' potential annual income, operating, and maintenance expenses. As shown in Table HE-16, the current market value of these Section 8 projects is \$42 million. Assuming a 10 percent downpayment is required to transfer ownership of the Section 8 projects to a non-profit, a total downpayment of approximately \$4.2 million and mortgage loan of \$38 million would be required. Unless public funding is available up-front to pay for the purchase price, on-going subsidies (e.g. rent subsidies) would be required to support the monthly mortgage and maintenance costs to maintain the units as affordable to low income households.

TABLE HE-16
MARKET VALUE OF SECTION 8 PROJECTS

Projects' Units	Total
1- Bedroom	206 units
2- Bedroom	183 units
3- Bedroom	41 units
4-Bedroom	22 units
Total	452 units
Annual Operating Cost	\$1,397,600
Gross Annual Income	\$5,257,885
Net Annual Income	\$3,860,285
Market Value	\$42,463,137

Market value is estimated with the following assumptions:

1. Average market rents in Huntington Beach for a studio unit is \$793, 1-bedroom unit is \$889, 2 bedroom unit is \$1,150, and 3-bedroom unit is \$1,326 (source: RealFacts, 2000). The average market rent for a 4-bedroom unit is estimated at \$1,502.
2. Average bedroom size for a studio unit is assumed at 500 square feet, 1-bedroom is assumed at 600 square feet, 2- and 3- bedroom units are 900 square feet, and 4-bedroom unit is 1,100 square feet.
3. Vacancy rate = 5%
4. Annual operating expenses per square foot = \$4.00
5. Market Value = Annual net project income * multiplication factor.
6. Multiplication factor for a building in moderate condition = 11.

Rental Assistance

Long-term availability of funding for Section 8 contract renewal is uncertain. Three of the at-risk projects currently have Section 8 contracts, and may be at risk of expiration. Other state and local sources of funds can be used to maintain expiring rent subsidies, or as a tool to maintain affordability in expiring Bond and Density Bonus projects. Rent subsidies can be structured to mirror the Section 8 program. Under Section 8, HUD pays owners the difference between what tenants can pay (defined as 30 percent of household income) and what HUD and the local Housing Authority estimate to be the Fair Market Rent (FMR) on the unit. The program can be implemented through vouchers, which allow the tenants to choose where they want to live.

The feasibility of this alternative, in the case of property owners, depends on their willingness to accept rental vouchers. In terms of cost-effectiveness, rental subsidies are less costly than constructing new assisted housing, as shown in Table HE-17. Given the bedroom mix of all 599 at-

risk units, the total cost of subsidizing the rents for these units is estimated at \$49,846 per month, or approximately \$598,152 annually, translating to \$12 million in subsidies over a 20-year period.

TABLE HE-17
RENT SUBSIDIES REQUIRED FOR AT-RISK UNITS

Section 8/Subsidized At-Risk Units	Bond Projects	Federally Assisted Projects	Density Bonus Projects
Studio	26	0	0
1-Bedroom	63	206	19
2-Bedroom	8	183	31
3-Bedroom	0	41	0
4-Bedroom	0	22	0
Total Monthly Rent Income Supported by Very Low Income Households	\$65,946	\$343,015	\$33,447
Total Monthly Rent Allowed by Fair Market Rents	\$68,090	\$383,787	\$40,377
Total Monthly Subsidies Required	\$2,144	\$40,772	\$6,930
Total Annual Subsidies Required	\$25,728	\$489,264	\$83,160

Notes:

1. A studio unit is assumed to be occupied by a 1-person household, a 1-bedroom unit by a 2-person household, a 2-bedroom unit by a 3-person household, and a 3-bedroom unit by a 4-person household.
2. Based on the 1999 Median Family Income in Huntington Beach, affordable monthly rent for a 1-person very low income household is \$559, \$646 for a 2-person household, \$683 for a 3-person household, and \$720 for a 4-person household.
3. 1999 Fair Market Rent in Orange County is \$645 for a studio, \$704 for a 1-bedroom unit, \$871 for a 2-bedroom unit, \$1,212 for a 3-bedroom unit, and \$1,349 for a 4-bedroom unit.

Construction or Purchase of Replacement Units

The construction of new low income housing units is a means to replace at-risk units should they be converted to market rates. The cost of developing housing depends upon a variety of factors,

including density, size of units (i.e. number of bedrooms), location, land costs, and type of construction. According to local housing developers, the most recent typical residential sale prices in Huntington Beach were \$30 to \$35 per square foot for a lot zoned for multiple-family development. Development costs average \$45 per square foot, without parking. Based on an average density of 18 units per acre, an average unit size as assumed in Table HE-16, and the same bedroom mix as the existing units, the cost to replace the total 599 at-risk units would range between approximately \$63.6 million and \$70.8 million.

Instead of constructing new affordable units, similar existing units may be purchased to replace those at-risk. Based on current market value assessments (see Table HE-16), the total cost to replace the 599 at-risk units through the purchase of similar existing units with the same bedroom mix could generally be estimated at around \$57.4 million.

Purchase of Affordability Covenants

Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as low-income housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or supplementing the Section 8 subsidy received to market levels. The feasibility of this option depends on whether the complexes require rehabilitation or are too highly leveraged. By providing lump sum financial incentives or on-going subsidies in rents or reduced mortgage interest rates to the owner, the City can ensure that some or all of the units remain affordable.

Refinancing of Mortgage Revenue Bonds

Another option is to refinance the mortgage revenue bonds that were issued to the owners of the two bond-financed projects to preserve the low-income use restrictions. If refinanced, the project would be required by the 1986 Tax Reform Act to commit their 20-percent low income units for the greater of 15 years or as long as the bonds are outstanding.

To ensure affordability of the City's bond assisted units, the City can negotiate with the project owners to refinance the bonds. The costs to refinance the bonds include the difference in interest rates on the remaining debt between the previous and re-negotiated bonds, an insurance cost of approximately three percent of the bond to be paid by the City up front, and administrative costs. Thus, the project owners may not have a financial incentive to refinance unless bond interest rates are well below rates on the initial bonds and are combined with other incentives. More often, property owners prefer to either sell the property or seek refinancing from private lenders and would therefore be eligible to opt out of affordability controls. Bond refinancing may more likely be used in combination with transfer of ownership to a non-profit.

c. Cost Comparisons

The cost to construct new housing to replace the 599 at-risk units with the same bedroom mix, assuming there is sufficient land available, is \$63.6 - \$70.8 million. This cost estimate is higher than the cost to provide rental assistance to the 599 at-risk units, which is \$49,846 per month or \$598,152 annually.

Transferring ownership of for-profit at-risk projects to non-profit organizations is applicable to those projects which are under private ownership. Furthermore, it is only cost effective to transfer ownership of for-profit to non-profit for projects in which all of the units are affordable to lower income households. This applies to Huntington Villa Yorba, Wycliffe Gardens, and Surfside Villas. These projects have a market value of \$42 million requiring a downpayment of \$4.2 million and a \$38 million mortgage.

ISSUES

F. HOUSING NEED

Assuring the availability of adequate housing for all social and economic segments of Huntington Beach's present and future population is an important goal for the City. To achieve this goal, the City must target its programs and monetary assistance toward those households with the greatest need. This section of the Housing Element is a summary of the major housing need categories in terms of income groups as defined by Federal and State law. It includes the City's share of regional housing need as developed by the Southern California Association of Governments (SCAG). The City recognizes the special status of very low- and low-income households, which in many cases are elderly, single-parent or large family households.

TABLE HE-18
EXISTING AND PROJECTED HOUSING NEEDS
CITY OF HUNTINGTON BEACH

Existing Housing Needs			
Overpaying Households:		Special Needs Groups:	
Total	25,476	Elderly Households	909
Renter	12,690	Disabled Persons	14,098
Owner	12,786	Large Households	6,447
		Female Headed	
		Households	6,576
		Female Headed	
		w/Children	3,633
		Farmworkers	932
Overcrowded Households:		Housing in Need of Rehabilitation:	
Total	3,345	Fair Condition	6,250
Renter	2,656	Poor Condition	607
Owner	689		
Projected Housing Growth Needs (June 1, 1998 through June 30, 2005)			
Total		2,015	
Very Low-Income		388	
Low-Income		255	
Moderate-Income		400	
Upper-Income		972	

Note: Special needs figures cannot be totaled because categories are not exclusive of one another.

Source: 1990 U.S. Census; City of Huntington Beach, Housing Conditions Survey, 1996 (based on survey of 35,125 units); SCAG Draft Regional Housing Needs Assessment (Nov 1999).

Households in Need of Housing Assistance

As summarized in Table HE-18, the groups most in need of housing assistance in the near future include the following:

a. Overcrowded Households - Overcrowding in households results from either a lack of affordable housing (which forces more than one household to live together) and/or a lack of available housing units of adequate size. According to the 1999 SCAG Regional Housing Needs Assessment, 2,656 (8.9 percent) of all renters and 689 (1.6 percent) of all owner households were overcrowded. Most of these households, particularly the renter households, were lower income.

b. Households Overpaying for Housing - According to the 1999 SCAG Regional Housing Needs Assessment, an estimated 12,786 (31 percent) of the City's homeowners, and 4,021 (54 percent) of the City's lower income homeowners were spending 30 percent or more of their gross income on housing. Of the renter households, 12,690 (43 percent) of the total and 8,859 (86 percent) of the lower income renter households were spending more than 30 percent of their income on housing.

c. Special Needs Households - Certain segments of the population may have a more difficult time finding decent, affordable housing due to their special circumstances or needs. In Huntington Beach, these "special needs" households include:

- 909 of Huntington Beach's lower income elderly households are frail elderly in need of housing assistance;
- 14,098 persons with work, mobility, and/or self-care disabilities (9 percent of the total population) who may have special housing needs;
- 6,447 large households with five or more members, representing 9 percent of the total households;
- 6,576 female-headed households, and 3,633 of these households had children. Of the female-headed households with children, approximately 545 (15%) were living in poverty; and
- 932 Huntington Beach residents employed in farming, forestry, or fishing occupations (i.e., farm workers).

d. The Homeless - *To be updated when Draft Consolidated Plan complete.* As a beach community, the City attracts numerous individuals who congregate along the beach, under the pier, by the Santa Ana River, and in Central Park. The 1990 Census data on the homeless reported seven residing in emergency shelters and none visible on the streets in Huntington Beach. In 1995, the Episcopal

Service Alliance, located in the downtown area, reported serving approximately 75 homeless persons monthly in Huntington Beach.

The "at-risk" homeless population is comprised of very low-income families and individuals who upon loss of employment would lose their housing and end up residing in shelters, with friends or family, or becoming homeless. Lower-income families, especially those earning less than 50 percent of the regional median income, are at particular risk of becoming homeless. These families are generally experiencing a cost burden, paying more than 30 percent of their income for housing. In more severe cases, some families pay more than 50 percent of their income for housing.

The at-risk population also includes individuals who are in imminent danger of residing in shelters or of being unsheltered because they lack access to permanent housing and do not have an adequate support network, such as parents or relatives in whose homes they could temporarily reside. These individuals, especially battered women and children, runaway or abandoned youth, those being released from penal, mental or substance abuse facilities require social services that help them make the transition back into society and remain off the streets. Needed services include counseling, rental assistance, and job training assistance.

Housing Stock Needs

Other components of housing need include the age and condition of the housing stock, housing sales prices and rents, and assisted housing at risk of conversion to market rate housing.

a. Age and Condition of Housing Stock - The age and condition of the housing stock can have implications for housing needs. That is, some residents may live in older housing that needs major repair/replacement but not have the money to effect the repairs, leaving the housing stock vulnerable to further deterioration. Assisting these households with rehabilitation assistance will help preserve the City's existing affordable housing stock.

In general, housing over 30 years old usually is in need of some major rehabilitation, such as a new roof, foundation work, plumbing, etc. According to the 1990 Census, approximately 80 percent of the City's housing stock is more than 30 years old.

City Code Enforcement staff began conducting a housing condition survey in January of 1995. The survey covers the exterior of the units only, and is being completed while staff is out in the field responding to complaints. Of the 35,125 properties surveyed, the survey found that the following number of housing units were in good, fair, and poor condition:

Good Condition	28,485 Units (81%)
Fair Condition	6,041 Units (17%)
Poor Condition	<u>599 Units (Less than 2%)</u>
	35,125 Units

More recently, in January 2000, City Code Enforcement staff conducted a focused quality housing survey of 277 buildings in the Oakview Enhancement Area. Of the 277 properties surveyed, the survey found that the following number of buildings were in good, fair, and poor condition:

Good Condition	60 buildings (22%)
Fair Condition	209 buildings (75%)
Poor Condition	<u>8 buildings (3%)</u>
	277 buildings

b. Housing Sales Prices and Rents - According to the 1990 Census, the median value of an owner-occupied dwelling unit more than doubled since 1980, increasing from \$108,100 in 1980 to \$252,700 in 1990. More recent data from the California Association of Realtors indicates the median sales price of a home in Huntington Beach in the first quarter of 2000 was \$285,000.

Housing affordability is income dependent. The median price for a home in Huntington Beach exceeds the maximum affordable home price for very low-income households. For low-income households, one-person and small family households also are unable to afford the median price for a home; however, large family households can afford a one-bedroom home, which would result in overcrowding. Moderate-income one-person and small family households can afford an adequately sized home; however, large families cannot afford an adequately sized home.

In 1990, the median monthly rent in Huntington Beach was \$808, and the median monthly rent for the entire County was \$728. Information on March 2000 average rents was obtained from REALFACTS for apartment and townhome rentals with a minimum of 100 units. Average rents ranged from approximately \$739 for a studio, \$889 for a one-bedroom unit, \$1,086 to \$1,150 (depending on the number of bathrooms) for a two-bedroom unit, to \$1,326 for a three-bedroom unit. Very low-income households cannot afford to rent an adequately sized apartment. Low-income one-person households can afford a studio apartment; however, small and large families cannot afford an adequately sized apartment. Each type of moderate-income household can afford an adequately sized apartment.

c. Assisted Housing at Risk of Conversion - The City of Huntington Beach has a total of 599 multiple-family assisted units at risk of conversion to market rate housing. Of these units, 97 were constructed under the City's Multi-Family Revenue Bond Program, 452 units were federally assisted, and 50 resulted from Density Bonuses.

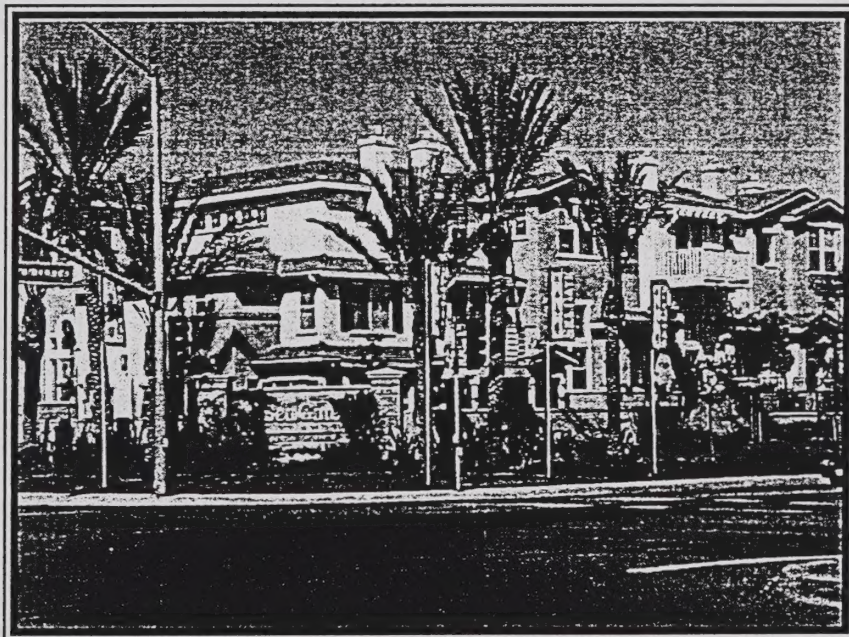
Low-income units in the City's two bond projects are subject to the following expiration dates, as shown in Table HE-15. Huntington Breakers is a 342-unit project built in 1984 with 68 income-restricted units. The project owner refinanced the bond with the City in 1989, and again in 1996, extending affordability controls until 2006. Huntington Village is a 114-unit senior housing project with 29 units set aside for low-income households. Use restrictions expire in 2007. The three

federally assisted projects, Huntington Villa Yorba, Wycliffe Gardens, and Surfside Villas, will expire in years 2000 and 2002. A total of 452 assisted units are at-risk in these projects. Twelve Density Bonus projects containing 50 units will expire in years 2000, 2001, 2002, and 2004.

The Regional Housing Needs Assessment (RHNA)

State law requires jurisdictions to provide for their share of regional housing needs. As part of the Regional Housing Needs Assessment (RHNA), the Southern California Association of Governments (SCAG) determines the five year housing growth needs for municipalities within its jurisdiction, which includes the City of Huntington Beach. In Orange County, the Orange County Council of Governments (OCCOG) was delegated responsibility for developing the RHNA in coordination with the cities and the County. Future housing needs numbers reflect the number of new units needed in a jurisdiction based on households which are expected to reside within the jurisdiction (future demand), plus an adequate supply of vacant housing to assure mobility and new units to replace losses.

The draft Regional Housing Needs Assessment (RHNA) adopted by OCCOG and SCAG has identified a 1998-2005 future housing need for Huntington Beach of 2,015, including 643 lower income units. Table HE-18 shows the income breakdown of these 2,015 units. The analysis of available residential sites presented in Section H - Housing Resources - demonstrates the City's ability to provide adequate sites to address its share of regional housing needs by income category.



Promenade Development: 80 moderate-income ownership units

G. HOUSING CONSTRAINTS

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Market, government, infrastructure, and environmental constraints to housing development in Huntington Beach are discussed below.

Market Constraints

The high cost of renting or buying adequate housing is the primary ongoing constraint of providing affordable housing in the City of Huntington Beach. High construction costs, labor costs, land costs and financing constraints are all contributing to a decrease in the availability of affordable housing.

a. Vacant/Underdeveloped Land

Approximately 117 acres of the City's residential land are vacant and have no project entitlements or pending development projects. Under existing zoning and General Plan land use designations, this acreage could accommodate an additional 2,212 dwelling units, as shown in Section H. Housing Resources Table HE-23. In addition, currently vacant residentially designated properties with entitlements and projects pending approval can accommodate 1,261 units, as shown in Section H. Housing Resources Table HE-24 and 25.

In addition to development on vacant land, the Downtown Specific Plan provides multi-family and mixed use infill of approximately 280 units, as shown in Section H. Housing Resources Table HE-26. Furthermore, the City has a total of 16 closed schools that have General Plan land use designations of public land with underlying designations of either Low Density Residential (7du/acre) or Medium Density Residential (15 du/acre). These sites could accommodate an additional 1,386 units.

b. Construction Costs

The single largest cost associated with building a new house is the cost of building materials, comprising between 40 to 50 percent of the sale price of a home. Typical residential construction costs for a single-family home of average to good quality range from approximately \$50 to \$70 per square foot, while custom homes and homes with extra amenities run higher. The cost of wood frame, multiple-family construction averages around \$50 per square foot, exclusive of parking.

A reduction in amenities and quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sale prices. In addition, pre-fabricated, factory built housing, which the City allows for in its General Plan, may provide for lower priced housing by reducing construction and labor costs. Another factor related to construction costs is the number of units built at one time. As the number of units built at once increases, construction costs over the entire development are generally reduced based on economies of scale. This reduction

in costs is of particular benefit when density bonuses are used for the provision of affordable housing.

c. Land Costs

The limited supply of developable vacant land in Huntington Beach has accounted for a steady increase in raw land costs. However, those costs vary according to location. According to local housing developers, residential sale prices in Downtown Huntington Beach were \$30 to \$35 per square foot for a lot zoned for multiple-family development. In November 1999, the Economic Development Department conducted a city-wide survey and determined that prices ranged from \$13 to \$20 per square foot for a lot zone for multi-family development. The cost of a lot zoned for single-family development averaged \$80,000 plus about \$25,000 for improvements.

d. Labor

Labor is the third most expensive component in building a house, constituting an estimated 17 percent of the cost of building a single-family unit. The City's ability to mitigate high construction and land costs is limited, since the City lacks the financial resources to directly subsidize construction.

e. Availability of Mortgage and Rehabilitation Financing

The availability of financing affects a person's ability to purchase or improve a home. Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower income households.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information in the disposition of loan applications and the income, gender, and race of loan applicants. As shown in Table HE-19, of the 6,061 applications for conventional mortgage loans to purchase homes in the City, about 68 percent were originated (approved by lenders and accepted by applicants). This is higher than the 60 percent mortgage approval rate nationwide. The overall denial rate was about 11 percent, well below the national average of 22 percent. Twenty percent of the applications were withdrawn, closed for incompleteness, or not accepted by the applicants; this is comparable to the national average of 18 percent. As expected the denial rate for low-income applicants was the highest among the three income groups at about 19 percent, followed by moderate-income applicants at about 12 percent. The denial rate for low-income applicants is substantially lower than the rate nationwide of 48 percent.

For government-assisted home purchase loans, the overall approval rate, 80 percent, was higher than the approval rate for conventional loans. It should be noted that low-income households have a much better chance of getting a government-assisted loan than a conventional loan. Over 84 percent of the

low-income applicants were approved, a higher approval rating than for low-income applicants applying for conventional loans.

Table HE-20 shows the disposition of conventional and government-assisted home improvement loans. Compared to mortgage loans, home improvement loans were much more difficult to secure, as is typical in most jurisdictions. The overall approval rates for conventional and government-assisted home improvement loans were very low - only 59 percent and 36 percent, respectively. The

**TABLE HE-19
DISPOSITION OF HOME PURCHASE LOANS**

Applicant Income	Conventional Loan Applications				Government-Assisted Loan Applications			
	Total	% Originated	% Denied	% Other*	Total	% Originated	% Denied	% Other*
Low-Income (<80% MFI)	873	61.6%	18.6%	19.8%	158	84.8%	5.7%	9.5%
Moderate-Income (80% to 119% MFI)	1,233	71.3%	11.6%	17.1%	127	79.5%	9.4%	11.0%
Upper Income (≥120% MFI)	3,642	69.3%	10.1%	20.5%	63	77.8%	11.1%	11.1%
Not Available	313	55.9%	10.5%	33.5%	15	66.7%	13.3%	20.0%
Total	6,061	67.9%	11.7%	20.4%	363	81.0%	8.3%	10.7%

Source: Home Mortgage Disclosure Act (HMDA) data, 1998

*Note: Other includes applications approved but not accepted, files closed for incompleteness, and applications withdrawn.

MFI = Median Family Income

**TABLE HE-20
DISPOSITION OF HOME IMPROVEMENT LOANS**

Applicant Income	Conventional Loan Applications				Government-Assisted Loan Applications			
	Total	% Originated	% Denied	% Other*	Total	% Originated	% Denied	% Other*
Low-Income (<80% MFI)	105	49.5%	29.5%	21.0%	11	36.4%	36.4%	27.3%
Moderate-Income (80% to 119% MFI)	134	56.0%	26.1%	17.9%	15	40.0%	40.0%	20.0%
Upper Income (≥120% MFI)	304	62.8%	16.8%	20.4%	34	41.2%	20.6%	34.2%
Not Available	31	71.0%	22.6%	6.5%	9	11.1%	77.8%	11.1%
Total	574	59.2%	21.6%	19.2%	69	36.2%	34.8%	29.0%

Source: Home Mortgage Disclosure Act (HMDA) data, 1998

*Note: Other includes applications approved but not accepted, files closed for incompleteness, and applications withdrawn.

MFI = Median Family Income

relatively high denial rates for low- and moderate-income households support importance of City sponsored rehabilitation assistance for these households. Increasing the availability of financing sources for households to improve or rehabilitate their homes is important to improving the overall quality of housing in the City.

Governmental Constraints

Housing affordability is affected by factors in both the private and public sectors. Actions by the City can have an impact on the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, fees and other local programs intended to improve the overall quality of housing may serve as a constraint to housing development.

a. Land Use Controls

The Huntington Beach General Plan and Zoning and Subdivision Ordinance provide for a range of residential land use designations/zones in the City:

Residential Low (RL) - Single-family residential units, clustered zero-lot line developments, and "granny" flats. This designation allows for between three and seven dwelling units per net acre.

Residential Medium (RM) - Single-family residential units, duplexes, townhomes, and garden apartments, allowing for a maximum of 15 dwelling units per net acre.

Residential Medium High (RMH) - Townhomes, garden apartments, apartment "flats", allowing for a maximum of 25 dwelling units per net acre.

Residential High (RH) - Townhomes, garden apartments, and apartments. This designation is intended for developments of up to 35 dwelling units per net acre.

Mixed Use (M) - May include residential uses. The exact density, location, and mix of uses in the category is intended to be governed by a specific plan, in order to allow greater design flexibility and to address the uniqueness of a particular area.

In May 2000, the City adopted Ordinance No. 3455 to amend the Zoning and Subdivision Ordinance to add standards for small lot developments (lots less than 4,000 square feet). The new standards act as an alternative to attached housing in multi-family districts. They apply to all small lot subdivisions, whether the tentative map is designed with single units per lot, or multiple units per lot (condominium). By providing greater development flexibility and allowing smaller lot sizes, this ordinance facilitates development and reduces development costs.

The City's residential development standards are summarized in Table HE-21. The City's standards are fairly comparable to other Orange County communities, and have not served as a constraint to

development. Through the Affordable Housing Incentives provisions within the City's Zoning Ordinance, the City provides modified development standards for projects with an affordable component, including reductions in parking.

**TABLE HE-21
PROPERTY DEVELOPMENT STANDARDS FOR RESIDENTIAL DISTRICTS**

	RL	RM	RMH-A Subdistrict	RMH	RH	RMP
Minimum Building Site	6,000	6,000	2,500	6,000	6,000	10 ac.
Width (ft.)	60	60	25	60	60	N/A
Cul de sac frontage	45	45	—	45	45	N/A
Minimum Setbacks						
Front (ft.)	15	15	12	10	10	10
Side (ft.)	3;5	3;5	3;5	3;5	3;5	—
Street Side (ft.)	6;10	6;10	5	6;10	6;10	10
Rear (ft.)	10	10	7.5	10	10	—
Maximum Height (ft.)						
Dwellings	35	35	35	35	35	20
Accessory Structures	15	15	15	15	15	15
Maximum FAR	—	—	1.0	—	—	—
Min. Lot Area/Unit (sq. ft.)	6,000	2,904	*	1,742	1,244	—
Density (du/acre)	7.26	15		25	35	
Maximum Lot Coverage %	50	50	50	50	50	75
		Studio	1 bed	2 bed	3 bed	4 bed
Minimum Floor Area		500	650	900	1,100	1,300
Private Open Space						
Ground Floor Units		200	200	250	300	400
Above Ground Floor Units		60	60	120	120	120
Parking						
Single Family		2	2	2	2	2
Multi-Family		1	1	2 (1 enclosed)	2.5 (1 enclosed)	2.5 (1 enclosed)
Guests		.5 per unit				
Senior		1	1	1.5		

* Lots < 50' in width = 1 du per 25' frontage.
Lots > 50' in width = 1 du per 1,900 sq. ft.

In addition, the City offers incentives, including density bonus, land write downs, and write downs of other development costs, to for-profit and non-profit developers, for the development of senior citizen and very low- to moderate-income housing.

b. Fees and Improvements

Building, zoning and site improvement fees can significantly add to the cost of construction, and have a negative effect on the production of low-income housing. Since the enactment of Proposition 13, the Tax Reform Act of 1986, the City has had to shift the cost burden of processing the development from the City to the developer in the form of a variety of fees which are shown in Table HE-22.

**TABLE HE-22
SUMMARY OF DEVELOPMENT FEES - TYPICAL RESIDENTIAL PROJECT**

Fee Type	Cost Per Single Family Unit	Cost Per Multi-Family Unit
Planning/Building Fees:		
Tract Map ¹	130.00	101.00
Conditional Use Permit ²	165.30	165.30
Environmental Processing ³	84.30	84.30
Inspection ⁴	1,026.80	705.60
Building Plan Check ⁵	924.10	635.10
Plan Review ⁶ (Planning)	308.10	211.70
Strong Motion ⁷	17.40	9.30
Library ⁸	375.00	240.00
Processing ⁹	25.00	25.00
School Fees ¹⁰	4,284.00	2,460.00
Parks/Recreation ¹¹ (fee)	12,957.10	10,501.70
Electrical Permit ¹²	271.00	208.00
Mechanical Permit ¹³	220.80	124.80
Plumbing Permit ¹⁴	275.00	198.00
Fence Permit ¹⁵	104.60	84.60
Addressing ¹⁶	11.60	11.60
Sub-Total	\$21,179.30	\$15,765.30
Public Works Development Fees:		
Sewer-City ¹⁷	156.30	156.30
Sewer-County ¹⁸	2,360.00	2,360.00
Traffic Impact Fee ¹⁹	900.00	900.00
Water ²⁰	2,640.00	2,640.00
Drainage ²¹	1633.30	233.30
Grading Permit ²²	6.70	6.70
Street Plans ²³	50.00	50.00
Tract Map -Plan Check ²⁴	40.00	23.30
Landscape - Plan Check ²⁵	120.00	300.00
Engineering/Inspection ²⁶	—	—
Sub-Total	\$8,856.30	\$6,769.60
Total Fees Per Unit	\$30,035.60	\$22,534.90
Total Fees Per Acre	\$135,160.20	\$676,047.00

Source: City of Huntington Beach, May 2000.

Fee Assessments based upon average single-family dwelling development of:

A) 2,100 sq. ft. of living area/400 sq. ft. garage; B) 4 bedroom units; C) 30-lot subdivision at 4.5 du/acre; D) Type V construction; and E) Building Valuation-\$174,000

Fee Assessments based upon average multiple-family development of:

A) 1,200 sq. ft. of living area/400 sq. ft. garage; B) 4 bedroom units; C) 1-lot subdivision at 30 du/acre; D) Type V construction; and E) Building Valuation-\$93,080

Development fees for a single-family low density development are estimated at \$30,000 per unit, and fees for a multiple-family high density development are approximately \$22,500 per unit. Certain Planning/Building and/or Public Works fees could be waived or subsidized by the City for the provision of lower income and senior citizen housing.

Fees which have an established per unit cost have been indicated in the above table. However, some fees vary based upon the scale of the project. The formula and assumptions made for calculating those fees have been provided below:

<u>Fee</u>	<u>Formula</u>	<u>Assumption</u>
Planning and Building		
1. Tract Map	\$3,000 + \$30/lot	Total processing fee was divided among each unit
2. Conditional Use Permit	\$4,960 per new Residential development	Total processing fee was divided among each unit
3. Environmental Process	Per project fee of: \$2,340 Environmental Assessment \$150 Mitigation \$38 County Posting Fee \$2,528	Assumes preparation of a Mitigated Negative Declaration pursuant to CEQA Total processing fee was divided among each unit.
4. Inspection	Per Project fee of: \$736 + \$3.93/\$1,000 over \$100,000	Scenario: SFR valuation: \$174,000 MFR valuation: \$93,080
5. Building Plan Check	90% of Building Inspection Fee	Scenario
6. Plan Review (Planning)	10% of Building Inspection Fee	Scenario
7. Strong Motion	Valuation x 0.0001	Scenario
8. Library	Enrichment: \$0.15/sq. ft. including garage Development: \$0.44/sq. ft. including garage	Scenario
9. Processing	\$25.00	
10. School Fees	\$2.05/sq. ft. not including garage	Scenario
11. Parks/Recreation	$\frac{5.0 (D.U. \times D.F.)}{1,000} \times \$755,516$	
12. Electrical Permit	\$0.07/sq. ft.	Scenario
13. Mechanical Permit	Per item cost	Standard features included in calculation, based on scenario
14. Plumbing Permit	Per item cost	Standard features included in calculation, based on scenario

<u>Fee</u>	<u>Formula</u>	<u>Assumption</u>
15. Fence Permit	\$32/foot for 6 foot tall block wall	<i>Assumed 75 lineal feet of 6 foot tall block wall per unit.</i>
16. Addressing	\$340/project	<i>Total processing fee was divided among each unit.</i>
Public Works		
17. Sewer - City	\$150/du or \$700 per acre, which ever is greater	<i>Scenario</i>
18. Sewer - County	\$2,360 per unit	<i>Scenario</i>
19. Traffic Impact Fee	\$75 per trip end	<i>Scenario</i>
20. Water	\$79,200	<i>Total processing fee was divided among each unit</i>
21. Drainage	\$7,000 per acre	<i>Total processing fee was divided among each unit</i>
22. Grading Permit	Varies depending upon project acreage and number of cubic yards of soil involved.	<i>Same assumption used - \$4,500/acre. Total processing fee was divided among each unit</i>
23. Street Plans	\$201/project	<i>Total processing fee was divided among each unit</i>
24. Tract Map - Plan Check	\$700 or \$40 per lot, which ever is greater	<i>Scenario</i>
25. Landscape - Plan Check	\$120 - SFR \$300 - MFR over 10 units	<i>Total processing fee was divided among each unit</i>
26. Engineering/Inspection	Fees are highly variable by project characteristics	<i>Per unit fee was too variable and was not addressed in table</i>

City of Huntington Beach, May 2000.

c. Building Codes and Enforcement

The City of Huntington Beach has adopted the State Uniform Building, Housing, Plumbing, Mechanical and Electrical Codes. These codes are considered to be the minimum necessary to protect the public health, safety and welfare. The local enforcement of these codes does not add significantly to the cost of housing.

d. Local Processing and Permit Procedures

The evaluation and review process required by City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately reflected in the unit's selling price. The review process in Huntington Beach is governed by four levels of decision-making bodies: the Zoning Administrator, the Design Review Board, the Planning Commission and the City Council.

One way to reduce housing costs is to reduce the time for processing permits. Table HE-23 presents a comparison that shows the average development processing times in Huntington Beach are comparable with several surrounding communities.

Multi-family residential projects with fewer than 5 units (parcel map) are permitted by right in all multi-family zones; projects with 5-9 units (tract map) require approval by the Zoning Administrator; and projects with 10 or more units require Planning Commission approval.

**TABLE HE-23
DEVELOPMENT PROCESSING TIME IN HUNTINGTON BEACH
AND SURROUNDING COMMUNITIES
(in months)**

Process	Huntington Beach	Costa Mesa	Irvine	Newport Beach	Orange County
General Plan Amendment	6-12	6-8	4-6	6-8	12-24
Zone Change	6-12	6-8	4-6	4-6	18 for undeveloped ¹ 4-8 for infill
EIR	6	4-6	4-6	8-12	6-9
Tentative Tract	4-6	6-8	6-12	6-12	1-2 ²
Site Plan Review (Staff)	1	1-2	2	2	Minimum 90 days Maximum 6 months ³
Site Plan Review (Comm.)	3-4	1-2	2-3	2-3	1-2
Plan Checking/ Building Permits	<3 weeks for 1 st plan check	1	1-2	1-2	1

Source: City of Huntington Beach, as of May 2000.

Notes: 1 Often processed concurrent with General Plan Amendment

2 Assumes all discretionary approval secured and no new environmental documentation needed.

3 Depending on environmental needs.

Environmental and Infrastructure Constraints

a. Floodplain

Situated on a low-lying flood plain and bounded by the Santa Ana River, Huntington Beach has faced significant flood hazard in the past. However, as of June 14, 2000, the Federal Emergency Management Agency (FEMA) redesignated a significant portion of the City's flood plain from A99 to X, which means that the area is no longer in the floodplain. This redesignation is based on the completion of the Santa Ana River Mainstem flood control project, which includes critical features - channel and bridge widening and channelization of the Lower Santa Ana River Channel Reaches 1 through 4, and the Seven Oaks Dam. Properties that remain A99 are exempt from flood construction requirements and have a substantial reduction in flood insurance rates. Figure II-5 shows the designated flood plains in the City.

The City does contain three potential residential sites that will likely be in the floodplain when the temporary A99 designation is removed. One of these sites has an approved 186 unit project, and the site is elevated high enough so that the units will be floodproofed. A second project within the A99 designation is in the planning stages for 200 units, and this site will also be raised to comply with FEMA requirements. The third site within the A99 designation is an 8 acre school site that has been deemed surplus for residential development, with potential for development with approximately 50 residential units. The City's experience has been that developers have economical ways to floodproof single family homes, typically by raising a site, and that a floodplain designation has not served to deter development. Areas that currently have to comply with floodproofing requirements are almost entirely built out, with the majority of undeveloped residential properties, including the downtown area, outside designated floodplains.

b. Oil Resources

Huntington Beach is historically an oil town. The numerous oil facilities currently operating in the City serve to reduce the amount of land currently available for development. While residential projects can sometimes be developed around producing wells, often redevelopment of the sites must be postponed until oil production ceases and facilities are abandoned. The presence of oil facilities thus reduces the amount of land available for development in the near future and/or increases the cost of development.

c. Hazardous Waste/Methane

Because of the long history of oil recovery operations in Huntington Beach, some vacant residential properties contain hazardous wastes related to abandoned oil wells, oil pipelines, or the presence of methane gas. These contaminated sites require clean up prior to their development, which adds to the cost of developing these sites.

Figure II-5 shows the areas in Huntington Beach that have been affected by methane gas and have been designated as Methane Overlay Districts. The two primary areas of remaining residential development within the Methane Overlay are the Chevron Oil Field and the downtown¹ described further below. Huntington Beach was identified as a high-risk area relative to methane gas migration into and/or from the shallow geology (peat and organic) deposits in the Roberti Report². A later study by GeoScience Analytical³ indicating biogenic methane caused the City to enact methane seepage district regulations for these areas. All oil fields are considered high risk areas for methane seepage. The main conduit for petrogenic methane is through abandoned oil wells. Therefore, all areas which lie above or in the immediate vicinity of one of the identified major oil field areas or drilling areas in the City are potential areas of concern. Methane may also be trapped beneath impervious surfaces (e.g., parking lots) or in enclosed underground areas (e.g., basements, subterranean garages, tunnels) where concentrations may cause an explosion or hazardous breathing conditions.

There are three principal areas where oil production was historically concentrated in the City: the Chevron oil field (Holly Seacliff area), the Aera Energy property, and numerous individual lots throughout the downtown area. In general the per lot cost to remediate a previous oil site can range anywhere from \$3,000-\$50,000 per lot, depending on the size of the lot and extent of the contamination. In the downtown, the costs to remediate a standard 25' x 115' lot starts at \$3,000 and goes up, with a recent double-size lot costing \$38,000 to remediate. With vacant lots in the downtown currently selling for \$500,000 and up, this remediation cost represents a fraction of the land value, and has not served as a deterrent to development.

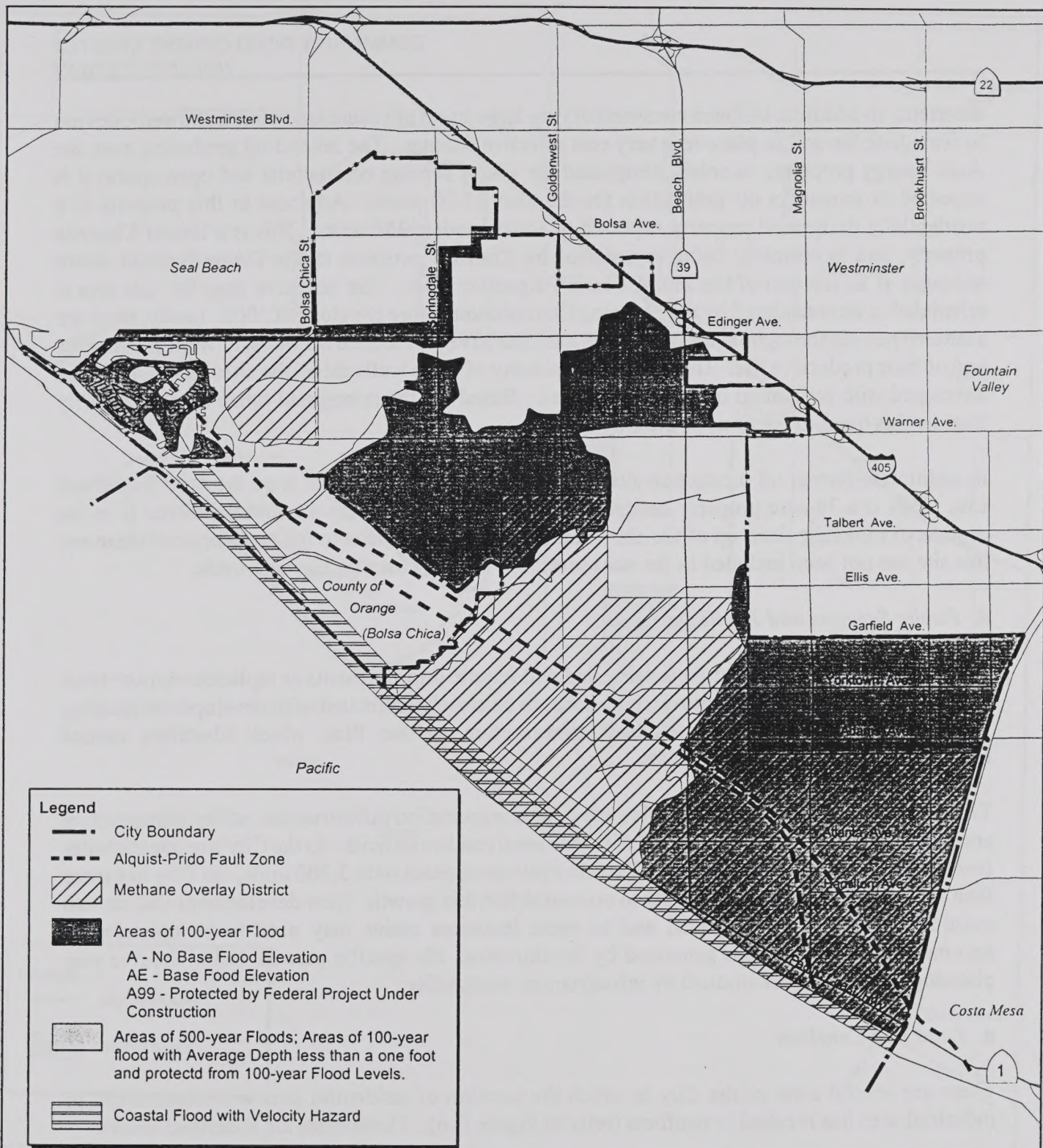
In addition to the clean-up cost, methane barriers are often required in close proximity to abandoned oil wells. This cost is reflected in the construction cost and adds approximately \$2.50 per square foot for a typical 3,000 square foot single-family home. Given that new homes this size or smaller start at over \$500,000, the additional \$7,500 for the methane barrier is fairly nominal. Finally, if there is a well on the property that has not been abandoned in the last ten years, the well may have to be reabandoned, which generally costs around \$35,000. However, the State has a program to help pay for well abandonment, which is utilized by developers in the City.

In terms of the three historic oil areas mentioned, the Chevron oil field is now nearly built out with residential uses pursuant to the Holly Seacliff Specific Plan and Development Agreement (DA). This DA required Chevron to remediate its property. Since 1997, 1,400 homes have been built with an additional 650 allowed/expected. Because of the DA, the remediation has not been a significant

¹ Angus Petroleum, 1988.

² Angus Petroleum, 1988.

³ Angus Petroleum, 1988.



Development Constraints

City of Huntington Beach General Plan

II-HE-53

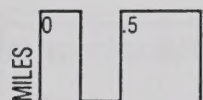


FIGURE II-5

deterrent. In addition, this area consisted of very large tracts of vacant land which allowed Chevron to remediate the soil in place in a very cost effective manner. The second oil producing area, the Aera Energy property, is solely designated for visitor serving commercial and open space; it is expected to remain in oil production for the next 15-20 years. Adjacent to this property is a residentially designated property expected to accommodate 256 units. This is a former Chevron property, and is currently being remediated by Chevron pursuant to the DA referenced above although it is not part of the Holly Seacliff Specific Plan. The tentative map for this area is scheduled to be considered by the Planning Commission before the close of 2000. Lastly, there are scattered parcels throughout the downtown area that have abandoned oil wells, or wells nearing the end of their productive life. The City has seen many of these wells close, the sites remediated, and developed with residential or commercial uses. Based on the strong real estate market, the City expects this trend to continue in the Downtown.

In addition to former oil production sites, the City has one property that is on the State Superfund List. This is a 38-acre property designated for residential development, and the owner is in the process of pursuing clean-up of the site with DTSC. However, due to the challenges of clean-up, this site has not been included in the sites inventory for this Housing Element cycle.

d. Public Services and Facilities

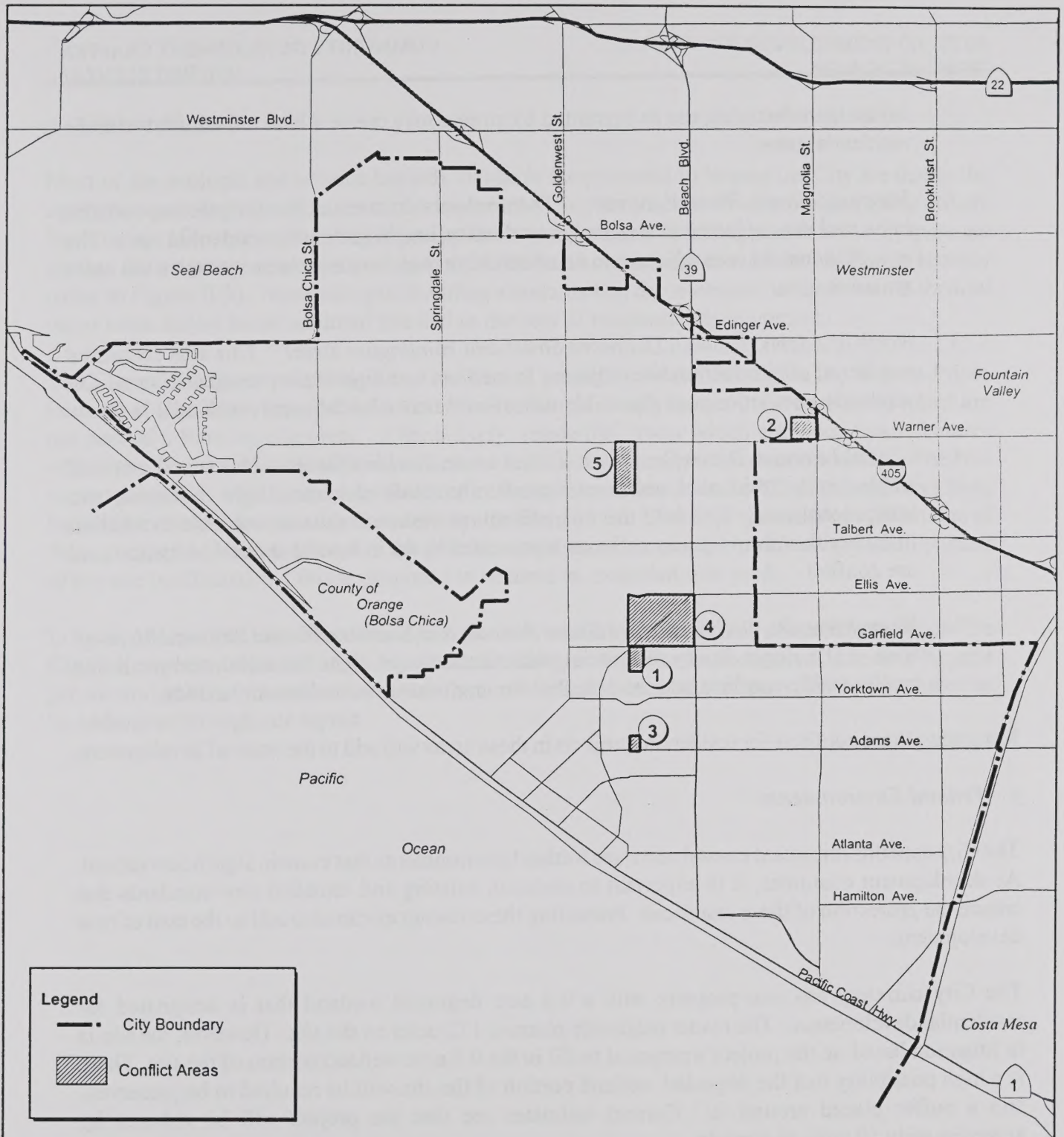
Much of the City's infrastructure is aging and will require improvements or replacement over time. The timing and funding of improvements needs to be closely correlated with development phasing. The City has adopted an Integrated Infrastructure Master Plan which identifies needed improvement(s) and associated costs.

The City's 1996 General Plan identifies adequate transportation infrastructure, utility infrastructure and public service capacity to serve 18,500 additional residential units. As the City's residential sites inventory for the five year Housing Element cycle anticipates only 3,700 units, the City has more than adequate infrastructure capacity to accommodate this growth. New development will tie into existing water and sewer mains, and in some instances mains may need to be upgraded to accommodate new demands generated by development. No specific parcels during the five year planning horizon are constrained by infrastructure availability.

e. Land Use Conflicts

There are several areas of the City in which the location of residential uses with commercial or industrial uses has resulted in conflicts (refer to Figure II-6). These areas are described below:

1. *Garfield Avenue, Huntington Street, Clay Avenue, Gothard Street* - This area contains low density, medium density, and high density residential uses adjacent to heavy manufacturing uses. At this time, no manufacturing use poses a problem, however, a



Land Use Conflict Areas

City of Huntington Beach General Plan

II-HE-55

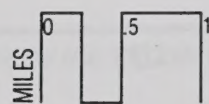


FIGURE II-6

future manufacturing use as permitted by zoning may create a land use conflict with the residential uses.

2. *Magnolia Street, Warner Avenue* - The northwestern area of this intersection contains industrial uses adjacent to a school, low density, and high density residential uses. The mix of industrial uses adjacent to noise sensitive uses creates noise impacts on the noise sensitive uses.
3. *North of Adams, between Delaware Street and Huntington Street* - This area contains a number of oil production sites adjacent to medium and high density residential uses. Oil production activities pose a possible risk of subsidence for adjacent residential lands.
4. *Garfield Avenue, Beach Boulevard, Ellis Avenue, Gothard Street* - This area is a mix of single-family residential units, multiple-family residential units, light industrial, and institutional uses. This land use mix presents pedestrian/vehicular conflicts in addition to the health and environmental hazards presented by the industrial and non-industrial land use conflict.
5. *Warner Avenue, Gothard, Street, Slater Avenue, and Southern Pacific Railroad Right-of-Way* - The single-family residential units, institutional, light industrial, and retail mix creates traffic conflicts and the potential for environmental and health hazards.

Mitigating those conflicts for residential projects in these areas will add to the costs of development.

f. Wetland Environments

The City contains important coastal and river wetland environments that contain significant habitat. As development continues, it is important to maintain existing and establish new standards that ensure the protection of these resources. Protecting these resources can also add to the cost of new development.

The City currently has one property with a 0.8 acre degraded wetland that is designated for residential development. The owner originally planned 172 units on the site. However, the site is in litigation based on the project's proposal to fill in the 0.8 acre wetland portion of the site. There is a high possibility that the degraded wetland portion of the site will be required to be preserved, and a buffer placed around it. Current estimates are that the project will be reduced by approximately 50 units as a result.

g. Seismic Hazards

Most of the geologic and seismic hazards that have the potential to impact the City are due to the active Newport-Inglewood fault which traverses the City, the shallow water table, and the relatively loose nature of recent sedimentary deposits. Collectively or individually, these factors may generate surface fault rupture, severe ground shaking, subsidence, the release of methane, and other hazards (refer to Figure II-5). More stringent building standards that are necessary in areas with a shallow water table and/or loose sediment can add to the cost of residential development.

The City currently has only two vacant residential properties which fall within the Alquist-Priolo fault zone. The State Alquist-Priolo Act allows for single-family homes in the fault zone, which are not part of a tract development. Alternatively, residential tracts which site open space features within the fault zone and habitable structures outside the zone can be accommodated. The two vacant properties remaining in the fault zone can accommodate a total of 22 units, and have been included in the residential sites inventory for the Element. A 17-unit project is proposed on one of these sites, and placed the street in the fault zone; on the other property, only a very small portion of the site is affected and this is proposed to become an extended side yard.

In terms of areas that have been developed, the fault zone traverses the Holly Seaciff area where the City has experienced most of its recent residential growth. The fault zone setback area became private and public open space that serves the surrounding homes. In summary, seismic hazards can be addressed through site layout.

H. HOUSING RESOURCES

This section describes and analyzes resources available for the development, rehabilitation, and preservation of housing in the City of Huntington Beach. This includes the availability of land resources and the City's ability to satisfy its share of the region's future housing needs, financial resources available to support the provision of affordable housing, and administrative resources available to assist in implementing the City's housing programs.

Availability of Sites for Housing

a. Vacant Land

The vacant land analysis is based on a vacant residential land survey conducted by the City in 1998 and updated by comparing vacant sites to building permits pulled since 1998. The City followed up with site visits and found that some sites were developed and some are vacant that were not previously identified. The vacant land inventory excludes sites that could not be developed within the five year planning horizon due to special circumstances. For example, contaminated sites that are vacant and zoned residential are not included.

Based on this sites analysis, relatively little vacant land suitable for residential development remains in Huntington Beach. Approximately 117 acres of the City's residential land are vacant and have no project entitlements or pending development projects. Under the existing zoning and General Plan land use designations, this acreage could accommodate an additional 2,212 dwelling units. Table HE-24 provides a breakdown of the number of additional dwelling units that could be developed on these vacant sites, at densities ranging from four to 30 dwelling units per acre. Of the vacant acres, 69 are within the Medium-High and High Density categories, providing opportunities for 1,828 units of lower cost housing that can accommodate lower income households.

The assessment of development potential on the City's vacant sites is based on the maximum permitted density in each district, with the exception of RH, which is calculated at 30 units/acre but permitted 35 units/acre under zoning. Given the limited remaining vacant land in Huntington Beach, the City is committed to supporting development of properties to their maximum developable densities. Review of two recent affordable projects in the City reveal densities of 28 units/acre for Bowen Court (RMH zone), and 50 units/acre for a single room occupancy (SRO) project (Mixed Use zone) recently approved by the City Council. In addition, the most recent residential project developed in the downtown was developed at a density of 22 units/acre (Mixed Use zone). Based on these recent trends, combined with the high cost of land, the City feels it is reasonable to assume development will occur at the high end of the permitted density range. In addition, the City has a history of granting density bonuses for affordable projects, supporting even higher densities.

According to the State Department of Housing and Community Development (HCD), conversations with a nonprofit housing developer in Orange County indicate minimum parcel sizes of 1.75 to 2 acres in size yielding at least 45 to 50 units are necessary to yield units affordable to lower income households. The City has conducted an analysis of the vacant multi-family zoned parcels (RM, RMH, RH) in Table HE-24 to determine which sites meet this size threshold.. Within the RM zone, all vacant sites are above this size; within the RMH zone, 30 of the 48 acres meet the size threshold; and within the RH zone, all vacant parcels are smaller than 1.75 acres in size. Within the Downtown (Table HE-27), parcels are typically smaller, generally 25' x 115', but several vacant properties are contiguous or adjacent to underutilized properties, and can be consolidated to support multi-family development. Unlike many inland Orange County communities, Huntington Beach supports more dense urban development, and has several affordable projects developed on smaller sites, such as Bowen Court which has been approved for 20 very low income units on .84 acres. Other similar coastal communities like Santa Monica with high land prices routinely have affordable projects developed on sites less than half an acre in size. Therefore, given the strong market for development in Huntington Beach combined with the high densities permitted, particularly for affordable projects, the smaller size of some of the City's multi-family zoned properties is not viewed as a significant constraint to their development.

Currently vacant residentially designated properties with entitlements provide for an additional 372 units (260 market-rate and 112 for very low- to moderate-income households), as illustrated in Table HE-25. These reflect projects with entitlements that are likely to be built within the near term planning horizon.

Table HE-26 shows currently vacant land with projects pending approval. A total of 889 units are pending approval-- 275 for lower income households and 614 market rate units.

TABLE HE-24
RESIDENTIAL DEVELOPMENT POTENTIAL - VACANT LAND
WITH NO ENTITLEMENTS

Land Use Category	Acres	Total Units
Low (3-7 du/ac)	41.74	292
Medium (0-15 du/ac)	6.14	92
Medium-High (0-25 du/ac)	48.53	1,213
High (30+ du/ac)	20.5	615
Total	116.91	2,212

Source: City of Huntington Beach, August, 2000.

TABLE HE-25
RESIDENTIAL DEVELOPMENT POTENTIAL -
VACANT LAND PROJECTS WITH ENTITLEMENTS

	Very Low- Income	Low- Income	Moderate- Income	Market Rate
Number of Units	75	25	12	260

Source: City of Huntington Beach, August, 2000.

TABLE HE-26
RESIDENTIAL DEVELOPMENT POTENTIAL -
VACANT LAND PROJECTS PENDING APPROVAL

	Very Low- Income	Low- Income	Moderate- Income	Market Rate
Number of Units	34	241	0	614

Source: City of Huntington Beach, August, 2000.

In addition to development on vacant land, the Downtown Specific Plan provides for multi-family and mixed use infill. A total of approximately 280 dwelling units can be provided for in the Downtown, as shown in Table HE-27. This area has designated 11 acres for Medium-High and High Density uses, providing for up to 277 higher density units. As described previously in the environmental constraints section, many lots in the Downtown have historically been used for oil production. However, the cost to remediate previous oil sites represents a fraction of the land value, and has not served as a deterrent to development.

**TABLE HE-27
DOWNTOWN SPECIFIC PLAN
RESIDENTIAL DEVELOPMENT CAPACITY**

Zone	Number of Acres	Number of New Units
Medium (0-15 du/ac)	0.17	3
Medium-High (0-25 du/ac)	7.40	185
High (0-35 du/ac)	3.97	92
Total	11.54	280

Source: City of Huntington Beach, August, 2000.

b. Closed School Sites - Surplus Sites for Housing from School Districts

The City has a total of 15 closed schools that have General Plan land use designations of public land with underlying designations of Low Density Residential (7 du/acre). If all of these sites were developed as residential, they would yield an additional 1,258 units. Although the School District no longer operates schools at any of these sites, it leases the properties to organizations such as the YMCA, day care facilities and churches, and uses some of the sites for its administrative offices. Currently, the City is evaluating potential development on the Burke School site. Market demand may not be strong enough to warrant developing the school sites with housing in the near term. In fact, several sites are being considered by various private developers for commercial development. Therefore, potential development of these sites as residential has not been included in the total number of units anticipated to be constructed over the 2000-2005 planning period.

c. Residential Development Potential Compared with Huntington Beach's Regional Housing Needs

Huntington Beach has an identified future housing need (RHNA) of 2,015 units to be developed during the 2000 - 2005 period. Table HE-28 shows the breakdown of these 2,015 units into income categories.

**TABLE HE-28
REGIONAL HOUSING GROWTH NEED BY INCOME GROUP**

Income Group	Total RHNA	Units Constructed (1/98-7/00)	Remaining RHNA	Minimum Density Guidelines	Site Inventory Feasible Units Capacity*
Very Low	388	4	384	≥ 25 units/acre	2,480
Low	255	0	255		
Moderate	400	254	146	≥ 8 units/acre	107
Above Moderate	972	860	112	< 8 units/acre	1,166
Total	2,015	1,118	897		3,753

* Includes vacant land without entitlements, with entitlements, and projects pending approval as shown in Tables HE-23, 24, and 25 in addition to residential development capacity within the Downtown Specific Plan area as shown in HE-26.

Housing units constructed and issued certificates of occupancy since January 1, 1998 can be counted toward fulfilling the RHNA for this Housing Element cycle. According to the City, a total of 1,118 units have been constructed between January 1, 1998 and July 1, 2000, leaving the City with a remaining RHNA of 897 units. In addition to market rate units, 4 very low income and 254 moderate income deed restricted units have been produced during this period.

Table HE-28 compares the City's remaining RHNA of 897 units with the residential sites inventory, which provides for approximately 3,753 units. As indicated in Table HE-28, the City has provided zoning to accommodate over 2,480 new units at 25+ units per acre, providing densities appropriate to support lower income development, and well in excess of the need for 639 lower income units. The City has also provided for the development of 107 units at densities which should offer affordability to moderate income households, just short of the RHNA's 146 moderate-income units. This shortfall can easily be made up on a portion of the lower income sites given their abundance. Therefore, the City has sufficient capacity to accommodate the projected need both in aggregate and by income category.

Funding Sources For Affordable Housing

The City has access to a variety of local, state federal and private resources that can be used for affordable housing activities. The following section describes the three most significant funding sources used in Huntington Beach - Redevelopment Set-Aside, CDBG and HOME. Table HE-29

summarizes these and additional funding sources available to support implementation of the City's housing programs.

Redevelopment Set-Aside. Redevelopment law requires redevelopment agencies to reserve 20 percent of the tax increment collected annually for the purpose of providing affordable housing. Redevelopment agencies are also required to allocate 15 percent of the units produced in a project area for low-/moderate-income households.

The Huntington Beach Redevelopment Agency has adopted an Affordable Housing Compliance Plan (Dec 1999) for all Project Areas which specifies anticipated contributions to the Redevelopment set-aside fund, and how these monies are to be spent. As indicated in this Plan and updated by the agency through 2005, the Agency is anticipated to contribute between \$1.5 to \$1.8 million annually to the set-aside fund during the five year Housing Element cycle, totaling approximately \$8.1 million. In addition, the Agency receives other forms of revenue, including interest earnings, ERAF loan repayments, loan repayments by the Redevelopment Agency, and income from an Agency financed senior development, all totaling approximately \$3.0 million during the planning period. Finally, as of November 2000, the Agency has an unencumbered set-aside balance of \$1.25 million. In total, the Agency is anticipated to have approximately \$12 million in revenues contributed to the set-aside fund during the five year planning period.

The Agency's Affordable Housing Compliance Plan outlines anticipated expenditures of nearly \$11 million in redevelopment set-aside (inclusive of administrative costs) during the time frame of the Housing Element. The Plan identifies the following activities for expenditure of set-aside funds, as reflected in the Housing Implementation Program (Table HE-31) of the Housing Element:

- Multi-family acquisition and rehabilitation through non-profits
- Assistance in development of special needs and lower income family housing
- Assistance in provision of special needs housing through acquisition/rehabilitation

Community Development Block Grant (CDBG). CDBG funds can be used for a variety of community development and housing activities primarily benefitting lower income households. The City receives an annual CDBG entitlement of approximately \$1.8 million from the federal government (HUD). The City uses CDBG monies to fund several housing activities, including housing rehabilitation programs, fair housing services, and partnerships with non-profits for the creation of affordable housing, such as Habitat for Humanity and Orange Housing Development Corporation

HOME Investment Partnership Program (HOME). The HOME Program is a federal program intended to expand and preserve the affordable housing supply for very low- and low-income households. The City receives an annual entitlement of approximately \$600,000 from HUD. Eligible activities include housing rehabilitation, acquisition, new construction, rental assistance and

first-time homebuyer assistance. The regulations require that a minimum of 15 percent of the HOME funds must be awarded to special housing non-profits known as Community Housing Development Organizations (CHDOs). Huntington Beach uses its HOME funds to support both new construction of affordable housing, and the acquisition and rehabilitation of older apartment buildings. The City has used HOME as a tool to develop partnerships with CHDOs and other non-profit housing developers, and to provide gap financing for non-profit housing partners with secured partial financing commitments from conventional lenders.

**TABLE HE-29
FINANCIAL RESOURCES FOR HOUSING ACTIVITIES**

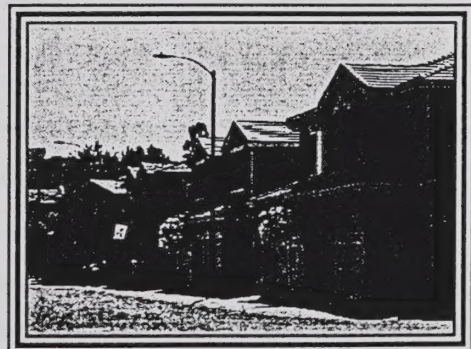
Program Type	Program Name	Description	Eligible Activities
1. Federal Programs a. Formula/Entitlements	Community Development Block Grant (CDBG)	Grants awarded to the City on a formula basis for housing and community development activities. Recipients must be low to moderate income (up to 80% MFI), or reside in a low and moderate income target area	• Acquisition • Rehabilitation • Home buyer assistance • Economic development • Homeless assistance • Public services (15% cap) • Neighborhood revitalization
	Home Investment Partnership Act (HOME)	Flexible grant program awarded to City on formula basis for housing activities.	• New construction • Acquisition • Rehabilitation • Home buyer assistance • Tenant-based assistance • Planning
	Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units (certificates), or directly to tenants (vouchers). Section 8 tenants must be low income (up to 50% MFI). Administered by the Orange County Housing Authority	• Rental assistance
b. Competitive Programs	Section 202	Grants to non-profit developers of supportive housing for the elderly. Rental assistance is available to very low income elderly persons (up to 50% MFI).	• Acquisition • Rehabilitation • New construction • Rental assistance • Support services
	Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	• Acquisition • Rehabilitation • New construction • Rental assistance
	Section 203(k)	Provides single long-term, low-interest loan at fixed rate to finance both the acquisition and rehabilitation of residential property.	• Acquisition - dwellings and land • Rehabilitation • Relocation of unit to another site on new foundation on the mortgage property • Refinance existing indebtedness

TABLE HE-29
FINANCIAL RESOURCES FOR HOUSING ACTIVITIES

Program Type	Program Name	Description	Eligible Activities
2. State Programs	Mortgage Credit Certificate (MCC) Program	Income tax credits available to first-time home buyers for the purchase of new or existing single family housing. Local agencies (County) make certificates available.	• Home Buyer Assistance
	California Housing Finance Agency (CHFA) Rental Housing Programs	Below market rate financing offered to builders and developers of multiple family and senior rental housing. Tax exempt bonds provide below-market mortgages.	• New Construction • Rehabilitation • Acquisition of properties from 20 to 150 units
	Low Income Housing Tax Credit	Tax credits available to individuals and corporations that invest in low income rental housing. Tax credits sold to people with high tax liability, and proceeds are used to create housing	• New Construction • Rehabilitation • Acquisition
3. Local Programs	Redevelopment Housing Set-Aside Funds.	20 percent of Agency tax increment funds are set-aside for affordable housing activities governed by state law.	• New Construction • Rehabilitation • Acquisition
	Tax Exempt Housing Revenue Bonds.	The city can support low income housing by issuing housing mortgage revenue bonds requiring the developer to lease a fixed percentage of the units to low income households and maintain the rents at a specified rate.	• New Construction • Acquisition Rehabilitation



Cape Ann: 146-unit affordable housing project



Greystone Keys: 150 units of which 23 are moderate-income

**TABLE HE-29
FINANCIAL RESOURCES FOR HOUSING ACTIVITIES**

Program Type	Program Name	Description	Eligible Activities
4. Private Resources/ Financing Programs	Federal National Mortgage Association (Fannie Mae)	Loan applicants apply to participating lenders for the following programs:	
	a. Community Home Mortgage Improvement Program	Mortgages which fund the purchase and rehabilitation of a home.	- Home buyer assistance - Rehabilitation
	b. Community Seconds Mortgage Loans	Fixed rate second mortgages issued by private mortgage insurers.	Home buyer assistance
	c. Fannie Neighbors	Low Down-Payment Mortgages for Single-Family Home in under served low-income and minority communities	Home buyer assistance
	d. Fannie 97	3% down payment mortgage loans for low income home buyers 3% loans for nonprofits, government agencies to pay for closing costs	Down payment assistance
	Federal Home Loan Bank Affordable Housing Program	Direct Subsidies to non-profit and for-profit developers and public agencies for affordable low income ownership and rental projects. Applicants respond to NOFAs, with funds awarded on competitive basis.	New Construction
	Freddie Mac	Home Works - Provides 1 st and 2 nd mortgages that include rehabilitation loan. City provides gap financing for rehabilitation component. Non-profit and for profit developers contact member banks.	Homebuyer assistance combined with rehabilitation
	Low Income Housing Fund (LIHF)	Non-profit lender offering below market interest, short term loans for affordable housing in both urban and rural areas. Eligible applicants include non-profits and government agencies.	- Predevelopment costs - Site acquisition - Construction - Rehabilitation
	Private Lenders	The Community Reinvestment Act (CRA) requires certain regulated financial institutions to achieve goals for lending in low and moderate income neighborhoods. As a result, most of the larger private lenders offer one or more affordable housing programs, such as first-time home buyer, housing rehabilitation, or new construction.	Varies, depending on individual program offered by bank

Administrative Resources

Described below are non-profit and for-profit agencies that can serve as resources in the implementation of housing activities in Huntington Beach. These agencies play an important role in meeting the housing needs of the City. In particular, they are critical in the production of affordable housing and preservation of at-risk housing units in Huntington Beach.

The Orange County Community Housing Corporation (OCCHC): OCCHC is the oldest and largest non-profit affordable housing developer in Orange County. OCCHC has been involved in a number of housing projects for very low-income large families throughout Orange County. OCCHC participates in the management as well as the development of low income housing.

Habitat for Humanity: Habitat for Humanity is a non-profit, Christian organization dedicated to building affordable housing and rehabilitating deteriorated housing for very low income families. Habitat builds and repairs homes for families with the help of volunteers and homeowner/partner families. Habitat homes are sold to partner families at no profit with affordable, no interest loans. Volunteers, churches, businesses and other groups provide most of the labor for the homes. Land for new homes is typically donated by government agencies or individuals.

Council of Orange County, Society of Saint Vincent De Paul: The Society of Saint Vincent De Paul provides many social services in Orange County such as food distribution and medical services. The Society plans to continue to expand its housing operations. Including the value of donated time and goods, the Society has an annual revenue of \$9.8 million and employs a staff of 75 persons.

The Bridges Foundation: The Bridges Foundation is a national non-profit housing development corporation with a local office in Orange County. This organization specializes in the acquisition and rehabilitation of apartment projects, and placement of affordability covenants on a portion of the rehabilitated units. The Bridges Foundation is currently rehabilitating the 66-unit Sher Lane project and is in negotiations with the Redevelopment Agency regarding the 28-unit Wycliffe Apartments project.

HomeAid: HomeAid is a non-profit corporation established by the Building Industry Association of Southern California to help alleviate homelessness in the region. The HomeAid program has a dual focus: to construct or renovate shelters for the transitionally homeless and to develop housing for lower income families and individuals. Representatives of HomeAid have expressed the agency's interest in preserving at-risk housing in Orange County.

Southern California Presbyterian Homes (SCPH): SCPH is an experienced non-profit housing developer based in Glendale. Using a variety of federal, state and local funds, SCPH has developed a number of low-income independent living facilities in Southern California.

Shelter for the Homeless: Shelter for the Homeless owns two four-bedroom apartment buildings in Huntington Beach. They also provide homeless services to the Huntington Beach community.

Jamboree Housing: Jamboree Housing is a non-profit corporation that has developed and implemented a number of affordable housing projects in Orange County including; a First-Time Homebuyer Program in Irvine; ownership and management of various affordable housing projects; and processing a 48-unit development in Anaheim for low-income buyers.

Opportunities for Energy Conservation

Under current law, Huntington Beach's Housing Element must include the following:

Analysis of opportunities for energy conservation with respect to residential development. Section 65583(a)(7).

By way of background, the Legislature in 1974 created the California Energy Commission to deal with the issue of energy conservation. The Commission in 1977 adopted conservation standards for new buildings. The Legislature directed the Commission to periodically improve the standards to account for state-of-the-art energy efficient building design. The Commission has adopted revised energy standards for new residential buildings. The revised energy conservation standards for new residential buildings have been placed in Title 24 of the California Administrative code. The new standards apply to all new residential buildings (and additions to residential buildings) except hotels and motels. The regulations specify energy saving design for walls, ceilings and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, conservation standards and the use of non-depleting energy sources, such as solar energy or wind power.

Compliance with the energy standards is achieved by satisfying certain conservation requirements and an energy budget. Among the alternative ways to meet the energy standards are the following:

- Alternative 1: The passive solar approach which requires proper solar orientation, appropriate levels of thermal mass, south facing windows, and moderate insulation levels.
- Alternative 2: Generally requires higher levels of insulation than Alternative 1, but has no thermal mass or window orientation requirements.
- Alternative 3: Also is without passive solar design but requires active solar water heating in exchange for less stringent insulation and/or glazing requirements.

Standards for energy conservation, then, have been established. In turn, the home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations.

In relation to new residential development, and especially affordable housing, construction of energy efficient buildings does add to the original production costs of ownership and rental housing. Over time, however, the housing with energy conservation features should reduce occupancy costs as the consumption of fuel and electricity is decreased. This means the monthly housing costs may be equal to or less than what they otherwise would have been if no energy conservation devices were incorporated in the new residential buildings. Reduced energy consumption in new residential structures is one way of achieving affordable housing costs when those costs are measured in monthly carrying costs as contrasted to original sales price or production costs. Generally speaking, utility costs are among the highest components of ongoing carrying costs.

Opportunities for additional energy conservation practices include the implementation of "mitigation measures" contained in environmental impact reports prepared on residential projects in the City of Huntington Beach. Mitigation measures to reduce energy consumption may be proposed in the appropriate section of environmental impact reports, prepared by or for the City of Huntington Beach. These mitigation measures may be adopted as conditions of project approval.

Some additional opportunities for energy conservation include various passive design techniques. Among the range of techniques that could be used for purposes of reducing energy consumption are the following:

- Locating the structure on the northern portion of the sunniest area on the site.
- Designing the structure to admit the maximum amount of sunlight into the building and to reduce exposure to extreme weather conditions.
- Locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face of the building to serve as a buffer between heated spaces and the colder north face.
- Making the main entrance a small, enclosed space that creates an air lock between the building and its exterior; orienting the entrance away from prevailing winds; or using a windbreak to reduce the wind velocity against the entrance.
- Locating window openings to the south and keeping east, west and north windows small, recessed, and double-glazed.

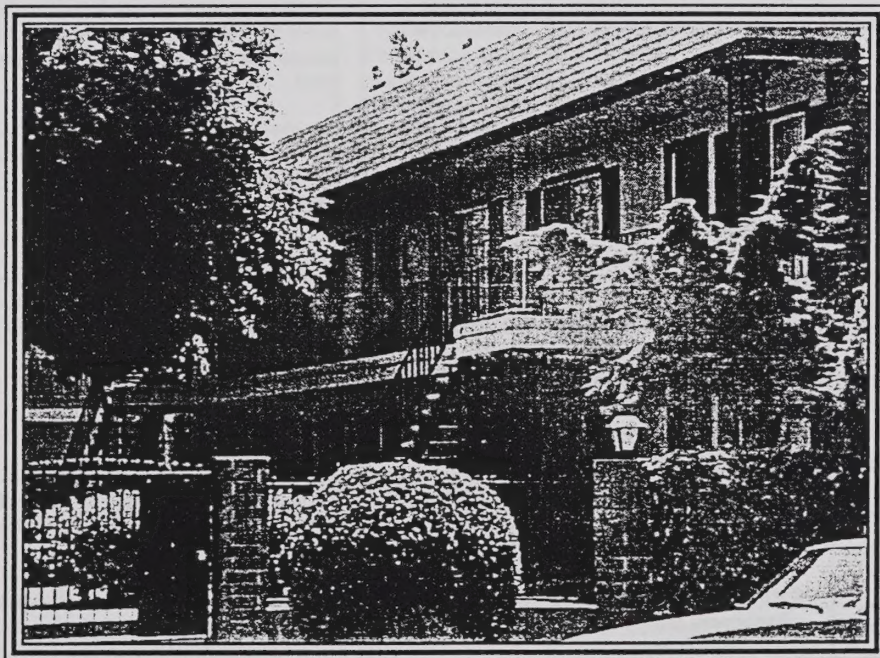
These and any other potential state-of-the-art opportunities could be evaluated within the context of environmental impact reports and/or site plan review. Feasible site planning and/or building design energy conservation opportunities then could be incorporated into the project design.

I. PREVIOUS ACCOMPLISHMENTS

Previous Accomplishments

State Housing Element law requires communities to assess the achievements under adopted housing programs as part of the update to their housing elements. These results should be quantified where possible (e.g. the number of units that were rehabilitated), but may be qualitative where necessary (e.g. mitigation of governmental constraints). These results then need to be compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was achieved, the reasons for such differences must be discussed.

The Huntington Beach Housing Element was last updated in 1999, the 1999 Element contains a detailed description of each program from the prior 1989 Element and program accomplishments from 1989 to 1997, included as Appendix B to this document. In order to provide a complete picture of accomplishments during the prior 1989-2000 Housing Element cycle, the following section evaluates the accomplishments under the adopted 1999 Housing Element. Table HE-30 presents the programs adopted with the 1999 Element and reviews accomplishments since that time.



Sher Lane: 66-unit acquisition/rehabilitation for lower income households

TABLE HE-30
1999 HOUSING ELEMENT ACCOMPLISHMENTS
HUNTINGTON BEACH

HOUSING PROGRAM	PROGRAM DESCRIPTION	TWO YEAR GOAL	1997 - 2000 ACCOMPLISHMENTS
CONSERVING AND IMPROVING EXISTING AFFORDABLE HOUSING:			
1. Down Payment Assistance Program	Continue to implement shared equity program on a project by project basis.	Assist 10 first time moderate-income households	The Economic Development Department discontinued this program due to escalating home prices draining funds. The Department reassessed how to most effectively use limited funds and determined that homeownership assistance to targeted multi-family projects are more cost effective.
2. Mortgage Credit Certificate Program	Participate in the Mortgage Credit Certificate program to increase home ownership opportunities for moderate-income first time homebuyers.	Participate in Mortgage Credit Certificate program	The Economic Development Department accomplished the following: • 13 MCCs were issued totaling \$1.4 million • City Council approved a resolution adopting the MCC program with the County of Orange and appropriated \$30,000 in set aside funds which secured certificates for an estimated 20 units. Participation in the MCC program has declined recently due to there only being 1 qualified lender in Huntington Beach. The Department should work to increase the number of lenders and actively market the program.
3. Rental Certificates	Through OCHA, provide Section 8 rental certificates/ vouchers to families of all sizes.	Continue to coordinate with Orange County Housing Authority	The City continues to participate in OCHA's Section 8 rental certificate/vouchers program, with 834 households participating in the program as of July 2000.
4. Adequate Community Facilities	Review all changes in planned land uses to determine cumulative impacts on community facilities.	Continue as part of development approval process	The City continues to review changes in land uses to ensure adequate levels of community facilities and services.
5. Single-Family Rehabilitation	Continue to make available low interest rehab loans for low-income owner-occupied single-family housing.	A total of 30 low-income units - maximum loan of \$15,000 per unit (15 per year).	The Economic Development Department made 25 rehabilitation loans totaling over \$250,000.
6. Multiple-Family Acquisition and Rehabilitation through Non-Profit Developers	Continue to assist non-profits in acquisition and rehabilitation of existing multiple-family housing stock within enhancement and redevelopment areas.	Rehabilitation of 10 low-income units (5 per year).	The City actively worked with non-profits and expended over \$3.5 million on the following acquisition/rehabilitation projects: • Bridges America - 66-unit Sher Lane project • Interval House - 6-unit shelter for battered women • Shelter for the Homeless - 4 units • Orange County Community Housing Corporation - 4 buildings totalling 20 units

COMMUNITY DEVELOPMENT CHAPTER
HOUSING ELEMENT

HOUSING PROGRAM	PROGRAM DESCRIPTION	TWO YEAR GOAL	1997 - 2000 ACCOMPLISHMENTS
7. Multiple-Family Rehabilitation Assistance to Investors/ Owners	Within selected target areas, provide low interest rehab loans to investor-owners of multiple-family rental housing.	16 low-income units (8 per year).	This program was just approved by the City Council 2000. New marketing material was developed in 2000.
8. Monitor Housing Conditions	Monitor housing conditions in neighborhoods considered marginal or at-risk for deteriorated conditions in order to identify the need to expand existing rehab programs.	Target different areas of the City every year	The Economic Development Department targeted the Oakview neighborhood for neighborhood revitalization, and provided information about available home rehabilitation programs at community meetings.
9. Neighborhood Improvement Programs	Implement comprehensive neighborhood improvement Strategy in target areas.	Hold community meetings in the target area for each year	The City provided funding for the following projects: • Private alley improvements at the Bridges America apartments benefitting 80 rental households. • Installation of 8 exterior lighting fixtures in strategic areas in 30 multi-family buildings in the Oakview neighborhood. City incorporated existing programs into comprehensive Neighborhood Improvement Program. The objective is to preserve and maintain the City's housing stock.
10. Citywide Code Enforcement Program	Continue to implement the City's code enforcement program, including property maintenance inspections.	Continue property maintenance inspections	The City continues to perform property maintenance inspections. In January 2000, a focused housing survey was conducted in the Oakview Enhancement Area to determine exterior conditions and upgrade buildings found to be substandard. Of the 277 buildings surveyed, 8 were in poor condition. Violation notices were sent, and all property owners have complied or are in the process of complying.
11. Affordable Housing Monitoring Program	Develop an affordable housing monitoring program, including restrictive covenants for resale and rental units and financing mechanisms to ensure long-term conservation of affordable units where public subsidy or incentive has been provided.	Locate all units and establish ongoing monitoring program. Create preservation program by June 30, 1999	The Department of Economic Development has developed a database of all affordable housing projects. Affordable homeownership and rental housing projects are monitored annually by the Economic Development Department for compliance with affordability, occupancy, and property maintenance requirements.
12. Multiple-Family Interest Rate Write-Down Program	Develop a Multi-Family Interest Rate Write-Down Program targeted towards publicly-subsidized housing projects with the potential for conversion to market rate.	Implementation of program. Preservation of 137 at-risk bond units.	Income restrictions on the Seabridge Village multi-family mortgage revenue bond project expired in 2000. The City contains 2 remaining bond projects - Huntington Village and Huntington Breakers, at risk of conversion over the next 10 years. The 2000-2005 Element will include a more comprehensive program to preserve at-risk units which will include bond financing as a tool.

COMMUNITY DEVELOPMENT CHAPTER
HOUSING ELEMENT

HOUSING PROGRAM	PROGRAM DESCRIPTION	TWO YEAR GOAL	1997 - 2000 ACCOMPLISHMENTS
13. Condominium Conversion Ordinance	Continue to enforce the City's condominium conversion ordinance to regulate the conversion of rental housing to ownership units.	Continue to enforce the ordinance	The City approved a condo conversion late in 1997 for the conversion of 3 market rate units.
14. Financial Assistance for Displaced Residents	Provide financial assistance for relocation of persons displaced by government activities.	Require a housing replacement plan for all projects that result in displacement of residents	The City, Agency, and all affordable housing non-profits assisted in the City complying with all obligations under the Uniform Relocation Act.
15. Replacement of Affordable Housing.	Continue to monitor and assure replacement of low- and moderate-income housing which is demolished or converted.	Continue monitoring	The City continues to monitor and assure replacement of low- and moderate- income housing which is demolished or converted.
16. Off-site Multi-Family Acquisition/ Rehabilitation	Allow developers to fulfill affordable housing requirements through off-site acquisition/ rehabilitation of rental units.	Provide 23 deed restricted units	Bridges America rehabilitated a building (80 units) on Nichols Street with funds from private developers through the Inclusionary Housing Program. The units are restricted to low income households for a 30-year period.
PROVISION OF ADEQUATE HOUSING SITES:			
17. Vacant Land Inventory	Maintain inventory of vacant land in City to expedite identification of residential opportunities in the City.	Review on an ongoing basis	In June 2000, the City conducted a comprehensive vacant land survey. The survey, which includes identification of vacant parcels by zone, is available for purchase at public counter as a valuable tool to encourage development.
18. Monitor Changes in Industrial and Commercial Land Use	Monitor changes in industrial and commercial land uses to assess their impact on residential land use.	Review on an ongoing basis	The monitoring of changes of Industrial and Commercial land is ongoing.
19. Residential Development Opportunities on School Sites	Work with school districts to provide residential development opportunities on appropriate surplus school sites.	Review on an ongoing basis	The City will continue to work with school districts to identify residential development opportunities on surplus sites. The City is currently evaluating potential development on the Burke School Site, a surplus school district property.
ASSIST IN DEVELOPMENT OF AFFORDABLE HOUSING:			
20. Development of Senior Citizen and Low-/Moderate-Income Housing	Construction of senior citizen and low/moderate income housing.	Aid in production of 21 units	The City aided in the production of the following project: 6 single-family homes for very low income families with Habitat for Humanity under construction Three projects are under negotiation: - Victoria Woods Senior Apartments - 80 units - Bowen Court Senior Apartments - 20 units - Wycliffe Apartments - 28 units

COMMUNITY DEVELOPMENT CHAPTER
HOUSING ELEMENT

HOUSING PROGRAM	PROGRAM DESCRIPTION	TWO YEAR GOAL	1997 - 2000 ACCOMPLISHMENTS
21. Incentives for Development of Senior Citizen and Low/Moderate Income Housing	Provide incentives for development of senior citizen and low/moderate income housing.	Development of between 5-10 additional affordable units	As stated above, the City provided incentives for development of the following project: • 6 single-family homes with Habitat for Humanity Three projects are under negotiation: • Victoria Woods Senior Apartments - 80 units • Bowen Court Senior Apartments - 20 units • Wycliffe Apartments - 28 units
22. Provide Consultation and Technical Support for Affordable Housing Projects	Assist private developers in expanding housing opportunities by providing consultation and technical support.	Continue to provide consultation and technical support	The City provided consultation and technical support to OHDC for the development of Bowen Court, a 21-unit senior apartment project.
23. Solicit Participation of Private Developers in Affordable Housing Programs	Solicit participation of private developers in affordable housing programs.	Maintain roster of interested firms	A ten year Disposition and Development Agreement (DDA), beginning in 1993, with Pacific Development Company governs an Agency-owned vacant parcel in the Huntington Center project area. Based on the size of the parcel and current zoning, approximately 80 efficiency apartments are suitable for the site. To date, there has been no project submitted by the developer.
24. Encourage and Facilitate the Development of Affordable Housing	Establish contact with local community development corporations and other non-profit housing providers to facilitate development of affordable housing.	Continue contacts with local community development corporations and non-profits	The City worked with CDCs and non-profits to achieve the following project: • 6- single-family homes with Habitat for Humanity under construction Three projects are under negotiation: • Victoria Woods Senior Apartments - 80 units • Bowen Court Senior Apartments - 20 units • Wycliffe Apartments - 28 units
25. Tax Exempt Mortgage Financing	Continue to provide tax exempt mortgage financing for new multiple-family housing.	Continue to monitor interest rates for opportunities.	No new bonds were issued. This funding source is now addressed under the Resources Section of the Element.
26. Project Self-Sufficiency	Offer assistance to families through a broad array of networking agencies. Prevent single-parent households from becoming homeless and achieve self-sufficiency.	Continue program	The 9-unit 313 11 th Street complex for Project Self-Sufficiency families houses 16 children and their parents. A new rent buy-down program was initiated for program participants. Program activities include: a monthly speaker for low-income single-parents, monthly newsletters, provision of food and clothing, financial assistance, scholarships, school supplies drive, cultural trips, summer activities, adopt-a-family, a Christmas Program, and mentoring.
27. OCHA "Gap" Financing for affordable housing	Encourage use of "gap" financing from OCHA for res. projects with affordable housing.	Continue program	City will continue to direct development of affordable housing to funding sources available through the County. This funding source is now addressed under the Resources Section of the Element.

COMMUNITY DEVELOPMENT CHAPTER
HOUSING ELEMENT

HOUSING PROGRAM	PROGRAM DESCRIPTION	TWO YEAR GOAL	1997 - 2000 ACCOMPLISHMENTS
28. Redevelopment Agency Production and Replacement Housing Obligations	Continue to pursue production of affordable housing to meet the Redevelopment Agency's ongoing production and replacement housing obligations.	25 Units	The Economic Development Department in partnership with Orange County Community Housing Corporation provided 10 replacement units.
29. Inclusionary Housing Ordinance	Evaluate establishment of an inclusionary housing ordinance.	Adopt ordinance	The City has not adopted a codified Inclusionary Housing Ordinance. However, a 10% inclusionary requirement for low and moderate income households is required on most new development. Given the strong housing market and escalating housing costs in the City, this program remains appropriate for the Element.
30. In-Lieu Fee Program for Non-Residential Development	Evaluate establishing an in-lieu fee for non-residential development.	Conduct Nexus Study. Establish fee program as appropriate.	The City has not completed the study to determine the appropriateness of a commercial impact fee program. Given the City's desire to attract rather than detract employment generating uses, this program is no longer deemed appropriate.
REMOVAL OF GOVERNMENTAL CONSTRAINTS:			
31. Handicapped Accessibility	Continue to adopt code updates.	Continue to adopt code updates.	The City continues to adopt updates to the State Uniform Building and Housing Codes to reflect current accessibility requirements
32. "Fast Track" Processing for Affordable Housing Projects	Evaluate fast track processing for affordable housing projects.	Evaluate development of a specific procedure for fast track processing	The City's general approach is to fast track projects in accordance with the Permit Streamlining Act. Nonetheless, the City intends to evaluate opportunities to further streamline the development process.
33. Encourage Implementation of SRO Ordinance	Develop program to encourage implementation of SRO Ordinance.	Develop Program	A study session conducted in August of 2000 evaluated the development standards for future Single Room Occupancy projects. A review of constructed SRO projects throughout the county identifies sections of the Huntington Beach code where modifications could be considered to increase the viability of constructing or rehabilitating SROs.
34. Review General Plan and Zoning Subdivision Ordinance for Consistency with Housing Element	Review General Plan, Zoning and Subdivision Ordinance to ensure it reflects Housing Element policies and programs.	Continue to review on an ongoing basis	The General Plan and Zoning Subdivision Ordinance are reviewed on an ongoing basis.
EQUAL HOUSING OPPORTUNITY:			
35. Fair Housing Plan	Prepare Fair Housing Plan which identifies impediments to fair housing choice, and sets forth appropriate actions.	Continue to provide fair housing services. Implement actions called for in Plan.	The Economic Development Department is currently working with the Orange County Fair Housing Foundation on a county-wide fair housing policy.

COMMUNITY DEVELOPMENT CHAPTER
HOUSING ELEMENT

HOUSING PROGRAM	PROGRAM DESCRIPTION	TWO YEAR GOAL	1997 - 2000 ACCOMPLISHMENTS
36. Continue to use the services of the Fair Housing Council of Orange County	Refer all complaints of discriminatory housing practices to FHCOC, and provide education and outreach services. Assist residents in efforts to obtain unrestricted access to housing.	Continue to provide fair housing services	The City continues to use CDBG funds to contract with FHCOC for fair housing services and landlord/tenant mediation.
37. Fair Housing Ordinance	To affirmatively further fair housing choice.	Adopt a Fair Housing Ordinance	The City Economic Development Department evaluated establishment of a Fair Housing Ordinance, and determined local adoption of an ordinance would be duplicative given the City's Fair Housing obligations.
38. Accessible Housing Coordination	Continue to coordinate with Dayle MacIntosh Center. Make accessible information on locational choice for the physically handicapped.	Coordinate with the Dayle MacIntosh Center to maintain a directory of accessible housing for persons with disabilities.	The City provides a comprehensive listing of affordable rental housing available to disabled persons. This list is updated annually.
39. Rehabilitation Loans and Grants for Unit Modifications to Accommodate Physically Handicapped	Increase awareness of grants for unit modifications to accommodate physically handicapped. More locational choice for the physically handicapped due to increase in supply of suitable rental units.	Modification assistance for 2 rental units and 2 owner units.	One Handicap Grant was issued in the amount of \$2,000. The City continues to update program brochures. During fiscal year 1999-2000, this loan program was consolidated in to the overall Housing Rehabilitation Loan Program.
40. Continuum of Care- Homeless Assistance	Participate in Regional Strategy to assist the homeless.	Participate in the Regional Committee for the Continuum of Care. Allocate CDBG funds to homeless service providers.	The City assisted the homeless in the following ways: • Awarded \$112,583 in CDBG funds to service providers. These agencies served over 8,000 persons. • Committed funds to the 6-unit Interval House Transitional Housing project. • Establishment of Mercy House Project, six units of transitional housing for single parents with children, located in the Oakview project sub area.
ENERGY CONSERVATION:			
41. Review Relevant Regulations and Policies to Address Solar Access	Review the City's zoning and subdivision regulations, EIR and site plan review guidelines, and municipal landscaping policies and revise as appropriate to address the issue of solar access. Sustained energy conservation in existing and new development.	Continue to review on ongoing basis	Landscaping plans are reviewed on a constant basis. The review of the City's Zoning and Subdivision Code regulating solar access is pending.

HOUSING PROGRAM	PROGRAM DESCRIPTION	TWO YEAR GOAL	1997 - 2000 ACCOMPLISHMENTS
42. Continue to Support Energy Conservation Programs Offered by the Utilities & Non-profit Agencies.	Continue to support and assist in publicizing energy conservation programs offered by the utilities. Improved residential energy efficiency and related reductions in housing costs.	Continue on an ongoing basis	The City continues to Support Energy Conservation Programs Offered by the Utilities & Non-profit Agencies. The State and Local Government Commission's Local Energy Assistance Program was utilized in the evaluation of two large residential projects. The study results were provided to the project proponents.

As outlined in Table HE-29, the City has been successful in creating a number of major affordable housing projects during the 1997-2000 period. Specific projects include the following:

- **Orange County Community Housing Corporation (OCCHC):** The City partnered with OCCHC to rehabilitate 24 very low-income units in four buildings at a cost of over \$1.5 million.
- **Shelter for the Homeless:** The City worked with this non-profit to rehabilitate 4 very low-income units for transitional housing.
- **Habitat for Humanity:** Working with Habitat for Humanity, the City produced 6 single-family homes for very low income families.
- **Interval House:** The City partnered with this non-profit to rehabilitate 6 very low-income units for battered women.
- **Bridges America:** Through the Inclusionary Housing Program, Bridges America created 80 low income units by rehabilitating a building on Nichols Street. Additionally, using HOME and Set Aside funds, the City and Bridges America are currently rehabilitating 66 units, of which 22 are very low-income, 11 low-income, and 33 moderate-income.

During the early part of 2000, the City reviewed all of the existing loan programs for effectiveness. In June 2000, City staff recommended to the City Council/Redevelopment Agency and it approved consolidation of the programs and revision of program guidelines. Subsequent to approval, Department staff is undertaking a marketing campaign for the new loan programs.

Comparison of 1989-1994 RHNA with Units Constructed since 1989

According to the previous Housing Element, the City of Huntington Beach had a total regional housing need (RHNA) of 6,228 units to be developed between 1989 and 1994, including 984 very low-income, 1,264 low-income, 1,370 moderate-income, and 2,610 upper-income units. While the

RHNA originally covered the 1989 to 1994 planning period, the RHNA was extended through December 1997 based on direction from the State Department of Housing and Community Development to reflect the revised housing element cycle. Housing developed after January 1998 is applied to the City's future RHNA for the 1998-2005 period.

Based on review of Building Department records, between 1989 and 1997, a total of 1,911 units have been produced in the City. Of these units, 32 were very low-income, 52 low-income, 130 moderate income, and 1,697 upper income. Table HE-31 provides a comparison of the number of housing units constructed between July 1989 and December 1997 compared to the total regional housing growth need for the 1989-1997 period.

TABLE HE-31
1989 - 1997 REGIONAL HOUSING GROWTH NEEDS
COMPARED TO UNITS CONSTRUCTED
BETWEEN JULY 1989 AND DECEMBER 1997

Income Category	Regional Housing Needs	Number of New Units Constructed (7/89-12/97)	Remaining Units to be Constructed
Very Low	984	32	952
Low	1,264	52	1,212
Moderate	1,370	130	1,240
Upper	2,610	1,697	913
Total	6,228	1,911	4,317

Source: 1988 SCAG Regional Housing Needs Assessment;
City of Huntington Beach Planning Department.

Actual housing production in Huntington Beach fell 4,317 units short of the overall RHNA of 6,228 units. This shortfall in production is only to be expected given that the RHNA was calculated assuming the continuation of the favorable economic conditions in the late 1980s. In actuality, Huntington Beach, along with the entire Southern California region, was largely impacted by the economic recession in the early to mid 1990s and as a result, residential construction activities were below the projected levels.

J. HOUSING PLAN

Goals, Objectives, and Policies

The previous sections of the Housing Element establish the City's housing needs, opportunities and constraints and evaluates the City's progress in implementing its housing programs. The following section sets forth the City's goals, objectives, and policies to address Huntington Beach's identified housing needs and housing priorities.

The City adopted a series of goals and policies as part of its 1999 Housing Element update to guide the development and implementation of its housing program. As part of the current Housing Element update, these adopted goals and policies have been evaluated in terms of their effectiveness and actual results in implementation. In addition, the adopted goals and policies were reviewed in terms of their appropriateness in addressing the housing needs identified in this Housing Element Update. The following goals, objectives and policies will serve as a guide to City officials in daily decision making.

The City of Huntington Beach has adopted three overall goals for its housing program which are consistent with State and Regional housing policies. These goals are:

1. The attainment of decent housing within a satisfying living environment for households of all socioeconomic, racial, and ethnic groups in Huntington Beach;
2. The provision of a variety of housing opportunities by type, tenure, and cost for households of all sizes throughout the City; and
3. The development of a balanced residential environment with access to employment opportunities, community facilities, and adequate services.

In order to attain these general goals, the City has committed to specific goals, policies and programs. The policies are organized around the five issue areas required to be addressed under State Statutes. These issue areas are: 1) conservation of existing affordable housing; 2) provision of adequate sites for housing; 3) assistance with development of affordable housing; 4) removal of government constraints; and 5) provision of equal housing opportunity. This section describes the specific goals, objectives, and relevant policies for each area of concern.

EXISTING AFFORDABLE HOUSING

Goal

HE 1

Conserve and Improve Existing Affordable Housing in Huntington Beach.

Objective

HE 1.1

Retain and expand the supply of sound housing at prices affordable to all segments of the community through conservation of the currently sound housing stock, and rehabilitation of deteriorated units.

Policies

HE 1.1.1

Encourage the retention of adequate numbers of mobile homes and continue to enforce the City's mobile home conversion ordinance. (*I-HE 5, LU 15.6, I-LU 1*)

HE 1.1.2

Encourage the rehabilitation of substandard and deteriorating housing where feasible and encourage the maintenance and repair of existing owner-occupied and rental housing to prevent deterioration. (*I-HE 5-10, I-HE 16, I-LU 16, I-LU 19, I-LU 22*)

HE 1.1.3

Where possible, take action to promote the removal and replacement of those substandard units which cannot be rehabilitated. (*I-LU 16, I-LU 19, I-LU 22*)

HE 1.1.4

Provide and maintain an adequate level of community facilities and municipal services in all community areas, and improve and upgrade community facilities and services where necessary. (*I-HE 4, RCS 1, I-RCS 7, I-PF 2, and I-PF 13*)

HE 1.1.5

Encourage compatible design to minimize the impact of intensified reuse of residential land on existing residential development. (*I-HE 18, LU 9.2.1, and I-LU 1*)

HE 1.1.6

Encourage preservation of the existing low density residential character in established single-family neighborhoods. (*I-HE 18, I-LU 9.2.1 and I-LU 1*)

HE 1.1.7

Promote and, where possible, require the continued affordability of all units produced or rehabilitated with participation by the City or its authorized agents, including affordable units produced through density bonuses and tax exempt financing. Attempt to preserve low-income housing in the City that is at risk of converting to market rate by monitoring the status of prepayment-eligible and bond-financed projects, and identifying financial and organizational resources available to preserve these units. (*I-HE 11, I-HE 16, I-HE 20 and I-HE 25-29*)

HE 1.1.8

Regulate the conversion of existing apartment units to condominiums to minimize the adverse impact of conversions on the supply of low and moderate income rental housing, while recognizing that condominiums can offer affordable opportunities for home ownership. (*I-HE 13 and I-LU 1*)

HE 1.1.9

Mitigate the displacement impacts occurring as a result of residential demolition through unit replacement or relocation of tenants. (*I-HE 14, I-HE 15, and I-LU 16*)

HE 1.1.10

Conserve affordable housing opportunities in the Coastal Zone through implementation of State requirements for replacement of low- and moderate-income housing, and for inclusion of affordable units where feasible in new residential construction. *(I-HE 15)*

HE 1.1.11

Pursue a program that would offer developers an opportunity to purchase "at-risk" units as a means of satisfying affordable housing requirements that may be conditioned on their projects. *(I-HE 11, I-HE 16)*

ADEQUATE SITES

Goal

HE 2

Provide Adequate Housing Sites.

Objective

HE 2.1

Provide appropriate zoning and regulatory incentives to facilitate the production of 388 very low, 255 low, 400 moderate, and 972 upper income units through this planning period.

Policies

HE 2.1.1

Take advantage of existing infrastructure and public improvements to provide additional affordable housing by allowing second units in single-family zoning districts. *(I-HE 20)*

HE 2.1.2

Facilitate the development of mixed-use projects containing residential and non-residential uses which can take advantage of shared land costs to reduce the costs of land for residential uses through General Plan

designation and the Specific Plan process. *(LU 11.1 and I-LU 4)*

HE 2.1.3

Use the following general criteria for identifying and evaluating potential sites for affordable housing and for the elderly and handicapped. While compliance with these criteria is preferable, no site shall be dismissed for failure to meet these criteria and shall be judged on its own merit. Sites should be:

- located with convenient access to arterial highways and public transportation, schools, parks and recreational facilities, shopping areas, employment opportunities;
- adequately served by public facilities, services, and utilities;
- minimally impacted by seismic and flood hazards. Where such hazards cannot be avoided, adequate mitigation measures shall be incorporated into the design of all proposed development;
- minimally affected by noise and blighted conditions; and
- located outside areas of predominantly lower income concentrations.

(I-HE 20 and I-HE 21, and LU 9.5.1)

HE 2.1.4

Plan for residential land uses which accommodate anticipated growth from new employment opportunities. *(I-HE 17 and LU 1)*

HE 2.1.5

Promote the rezoning of vacant or recyclable parcels of land to higher densities where compatible with surrounding land uses and available services in order to lower the cost of housing. *(I-HE 17 and I-HE 18)*

HE 2.1.6

Use surplus park and/or school sites for residential use where appropriate and consistent with the City's General Plan. *(I-HE 19, LU 13.1.6, LU 13.1.7 and I-LU 25)*

HE 2.1.7

Permit the development of manufactured housing in single-family zones, and accommodate the maintenance or development of mobile home parks through the City's Manufactured Housing Overlay Zone. *(LU 15.6.1)*

DEVELOPMENT OF AFFORDABLE HOUSING

Goal

HE3

Assist in Development of Affordable Housing.

Objective

HE 3.1

Facilitate the development of housing for low and moderate income households which is compatible with and complements adjacent uses and is located in close proximity to public and commercial services.

Policies

HE 3.1.1

Encourage the provision and continued availability of a range of housing types throughout the community, with variety in the

number of rooms and level of amenities. *(I-HE 16, I-HE 20 - 30, I-LU 9, and LU 9.1.1)*

HE 3.1.2

Support both the private and public sectors to produce or assist in the production of affordable housing to lower income households, as well as the needs of the handicapped, the elderly, large families and female-headed households. *(I-HE 20 - I-HE 25, I-HE 27, I-HE 29, I-HE 30 and LU 9.5.1)*

HE 3.1.3

Encourage alternative forms of home ownership, such as shared equity ownership, shared living units, and other housing arrangements to make housing more affordable. *(I-HE 1, I-HE 2)*

HE 3.1.4

Provide the management and personnel resources necessary to carry out identified housing programs and responsibilities. *(I-PF 1, I-PF 2, and I-PF 13)*

HE 3.1.5

Continue and expand use of Federal and State housing assistance programs. *(I-HE 1 - I-HE 12, I-HE 14, I-HE 20, I-HE 21, I-HE 24, I-HE 25, I-HE 26, I-HE 27, I-HE 39)*

HE 3.1.6

Review the City's condominium conversion ordinance, and consider revising to allow modified requirements for units which are set aside for low- and moderate-income households. *(I-HE 13 and I-HE 14)*

HE 3.1.7

Continue to coordinate with local social service providers and notify them of available

City funding to address the needs of the City's homeless population. (*I-HE 40*)

HE 3.1.8

Encourage the provision of alternative housing through replacement housing and/or relocation for low or moderate income households displaced by public or private development. (*I-HE 14, I-HE 15*)

HE 3.1.9

Investigate the development of single room occupancy (SRO) hotels to provide housing opportunities for very low-income residents. (*I-HE 33 and LU 9.5.1*)

REMOVE CONSTRAINTS

Goal

HE4

Remove Governmental Constraints.

Objective

HE 4.1

Mitigate any potential governmental constraints to housing production and affordability.

Policies

HE 4.1.1

Evaluate the City's General Plan policies to ensure they do not present any unreasonable constraints to the development of affordable housing or fair housing goals. (*I-HE 34, and I-HE 35*)

HE 4.1.2

Provide for a wide variety of housing types for different income levels and household needs. (*I-HE 1 - I-HE 3, I-HE 5 - I-HE 7, I-HE 12 - I-HE 16, I-HE 20 - I-HE 30, I-LU 9, and LU 9.5.1*)

HE 4.1.3

Review all regulations, ordinances, departmental processing procedures, and residential fees related to rehabilitation and/or construction to assess their impact on housing costs, and revise as appropriate. (*I-HE 32 - I-HE 33, and I-LU 22*)

EQUAL HOUSING

Goal

HE5

Provide Equal Housing Opportunity.

Objective

HE 5.1

Promote equal housing opportunity for all residents to reside in the housing of their choice.

Policies

HE 5.1.1

Affirm a positive action posture to assure that unrestricted access to housing is available to the community. (*I-HE 35 - I-HE 37*)

HE 5.1.2

Promote housing which meets the special needs of handicapped and elderly persons., as well as housing facilities for drug and alcohol rehabilitation, and for persons with AIDS. (*I-HE 20, I-HE 21, I-HE 31, I-HE 38, I-HE 39, and I-LU 9.5.1*)

HE 5.1.3

Encourage the provision of adequate numbers of housing units to meet the needs of families of all sizes. (*I-HE 1 - I-HE 3, I-HE 5 - I-HE 7, I-HE 12 - I-HE 16, 21, I-HE 20 - I-HE 30, I-LU 9, and LU 9.5.1*)

Implementation Programs

The goals, objectives and policies contained in the Housing Element address Huntington Beach's identified housing needs and are implemented through a series of housing programs and activities. Housing programs and activities described below define the specific actions the City will take during the 2000-2005 planning period, and are organized by the five issue areas required under the State statutes.

The Housing Program Summary Table HE-32, located at the end of this section, summarizes the goals of each housing program through June 30, 2005, along with identifying the program funding source, responsible agency, and time frame for implementation.

ISSUE AREA: CONSERVING AND IMPROVING EXISTING AFFORDABLE HOUSING

I-HE 1. Single-Family Rehabilitation

Program Description: The City will utilize its newly adopted loan programs to make available Deferred Repayment Loans, Below Market Interest Rate Loans, and Health and Safety Emergency Grants to low- and moderate-income single-family homeowners. These loans are available for single-family units as well as mobile homes, condominiums, and townhouses. The maximum loan amount for a single-family home is \$25,000, and \$15,000 for mobile homes, condominiums, and townhouses. Priority is given to properties within the Redevelopment Agency's Project Area or a Neighborhood Enhancement Area. Properties must be in need of repair to meet housing and property maintenance standards and City codes, and the rehabilitation must bring the property into full compliance with such standards and codes.

Five-Year Goal: Provide rehabilitation assistance to 75 low-and moderate-income households.

I-HE 2. Multi-Family Rental Housing Loans (MRH)

Program Description: The City adopted its new MRH program in 2000 and has developed new program marketing material. MRHs are available to owners of apartment buildings occupied by low-income tenants. Property owners are required to provide affordable rents, enforce strict unit occupancy limits, and verify annually that tenants are low-income. The interest rate is fixed at two percent below market rate, with monthly payments made over a 15-year term. Priority is given to properties located within the Redevelopment Agency's Project Area or a Neighborhood Enhancement Area. Maximum loan amount is \$15,000 per unit.

Five-Year Goal: Provide MRH loans to upgrade 100 rental units.

I-HE 3. Multiple-Family Acquisition and Rehabilitation through Non-Profit Developers

Program Description: The City assists non-profits with acquisition and rehabilitation of existing multiple-family housing. Once rehabilitated, the non-profit retains ownership, rents the units to low-income households, and manages the project. To conserve the existing supply of affordable housing, the City places a Covenant on the property to ensure continued occupancy by lower income households.

Five-Year Goal: Continue to work with non-profit developers in the acquisition and rehabilitation of substandard rental housing.

I-HE 4. Neighborhood Improvement Programs

Program Description: The City administers and implements a comprehensive neighborhood improvement program in target areas of City, including: Home Improvement Rebates; Home Security; Target Area Code Enforcement; Neighborhood Cleanup Days; and Graffiti Removal and Prevention. In addition, the City facilitates formation of Property Owner Associations within Target Areas to encourage property maintenance, deter overcrowding, and instill neighborhood pride. These programs help improve homes and enhance neighborhoods in the city.

Five-Year Goal: Continue to implement the neighborhood improvement program in target areas and conduct annual community meetings to receive resident input.

I-HE 5. Off-Site Multi-family Acquisition/Rehabilitation

Program Description: The City allows developers to fulfill their affordable housing requirements (a condition of new residential development in the City) through rehabilitation of low and very-low income units in various projects within the City. The affordability of the units is secured for a minimum 30 year period through an affordable housing agreement between the City, the developer, and a non-profit organization that administers the affordable rental units and is responsible for monitoring and annual reporting of the affordable rental rates and renter eligibility certification to the City.

Five-Year Goal: Provide additional affordable units through off-site, deed restricted rental rehabilitation.

I-HE 6. Mortgage Credit Certificate Program

Program Description: The Mortgage Credit Certificate (MCC) program is a federal program that allows qualified first-time homebuyers to take an annual credit against federal income taxes of up

to 15 percent of the annual interest paid on the applicant's mortgage. This enables homebuyers to have more income available to qualify for a mortgage loan and make the monthly mortgage payments. The value of the MCC must be taken into consideration by the mortgage lender in underwriting the loan and may be used to adjust the borrower's federal income tax withholding. The MCC program has covenant restrictions to ensure the affordability of the participating homes for a period of 15 years.

Five-Year Goal: Work to sign up additional lenders in Huntington Beach with the program and then actively market the program to first-time homebuyers.

I-HE 7. Section 8 Rental Assistance Program

Program Description: The Section 8 Rental Assistance Program extends rental subsidies to very low-income households who spend more than 30 percent of their gross income on housing. Rental assistance not only addresses housing affordability, but also overcrowding by allowing families that may be "doubling up" to afford their own housing. The Orange County Housing Authority coordinates Section 8 rental assistance on behalf of the City of Huntington Beach, with 834 households participating in the program, as of July 2000.

Five-Year Goal: Continue current levels of Section 8 rental assistance and direct eligible households to the County program. Encourage landlords to register units with the Housing Authority and to undergo education regarding Section 8 program.

I-HE 8. Citywide Code Enforcement Program

Program Description: Single-family and multi-family residential units are inspected by Code Enforcement as part of their regular duties, with marginal residential units identified and appropriately cited. Violation notices are issued to the property owner directing compliance with property maintenance regulations and uniform housing code requirements. As the City ages, monitoring of the City's housing stock will continue to be a high priority for the Code Enforcement Division.

Five-Year Goal: Continue to implement the City's residential code enforcement program, and inform violators of available rehabilitation assistance to correct code deficiencies.

I-HE 9. Preservation of Assisted Rental Housing

Program Description: The City contains a variety of publicly subsidized affordable rental units including projects assisted under Federal, state and local programs. An estimated 584 of these low-income units are at-risk of conversion to market rate during the next ten years. Preserving the City's existing stock of subsidized housing units is more cost effective than replacing affordable units through new construction. The following are strategies the City will undertake to preserve the at-risk affordable rental housing.

- a. **Monitor At-Risk Units:** Contact project owner as expiration date on restricted units approach to determine the intent of property owner. Discuss with owner the City's desire to preserve at-risk units as affordable low income housing.
- b. **Tenant Education:** The California Legislature passed AB 1701 in 1998, requiring property owners to give a nine month notice of their intent to opt out of low income use restrictions. The City will work with tenants of at-risk units and provide them with education regarding tenant rights and conversion procedures.
- c. **Work with Potential Priority Purchasers:** Establish and maintain close contact with public and non-profit agencies, such as the Orange County Community Housing Corporation, interested in purchasing and/or managing units at-risk to inform them of the status of at-risk projects. Solicit technical assistance for additional means of preserving these units at risk from OCCHC and the California Housing Partnership.
- d. **Refinancing Bonds:** Contact project owner as expiration date on restricted units approach to refinance the bonds in exchange for extending use restrictions another 20 years.
- e. **Off-Site Purchase of Affordability Covenants:** The City will pursue development of a program that would offer developers an opportunity to purchase "at-risk" units as a means to satisfy affordable housing requirements that may be part of the conditions of approval for their project.
- f. **Facilitate Tenant Purchase of Units:** Facilitate tenant purchase of applicable projects by providing technical assistance in financing, organizing a tenant association as a priority purchaser, coordinating with non-profit housing organizations, and encouraging tenant participation in the prepayment process. Work with the Orange County Affordable Housing Clearinghouse (OCAHC) to establish a program to provide preferential financing, and potentially downpayment assistance, for low-income tenants wishing to purchase their units.
- g. **Provide New Affordable Housing** The Redevelopment Agency has a commitment to providing affordable housing. In addition to new construction, the Agency provides affordable housing by acquiring and rehabilitating existing apartments and establishing

long-term affordability controls. Agency activities to expand the supply of affordable housing will serve to offset any losses to the stock of assisted housing.

Five Year Goal: Implement the following actions to protect or replace at-risk units: 1) Monitor at risk units; 2) Provide tenant education; 3) Work with potential non-profit purchasers; 4) Refinance bonds; 5) Pursue off-site purchase of affordability covenants; 6) Facilitate tenant purchase of units; and 7) Provide new affordable housing.

I-HE 10. Condominium Conversion Ordinance

Program Description: The City has adopted a Condominium Conversion Ordinance to provide protections to existing tenants in apartments proposed for conversion to condominium ownership. The City will consider allowing for modified standards where condominiums integrate affordable units, and will evaluate provision of ownership assistance to tenants interested in purchasing their units.

Five-Year Goal: Continue to enforce the condominium conversion ordinance, and evaluate opportunities for affordable homeownership on a project-by-project basis.

I-HE 11. Replacement Housing Program

Program Description: The City requires a housing replacement plan for all redevelopment projects that result in displacement of residents and for all projects that result in demolition of housing for low- and moderate-income households located within the Coastal Zone. In addition, the City provides financial assistance for relocation of persons displaced by government activities.

Five-Year Goal: Pursuant to Redevelopment law, continue to require replacement housing and financial assistance for displaced households.

ISSUE AREA: PROVISION OF ADEQUATE HOUSING SITES

I-HE 12. Vacant Land Inventory

Program Description: With limited land resources remaining for residential development, the City can assist in identification of development opportunities through maintenance of a residential sites inventory. As part of this Housing Element, the City has developed a comprehensive inventory of vacant residential sites.

Five-Year Goal: Maintain a current inventory of vacant residential sites and provide to developers.

I-HE 13. Residential Development Opportunities on School Sites

Program Description: The City works with the school districts to provide residential development opportunities on appropriate surplus school sites. For example, Burke School is a 7.7-acre Huntington Beach City School District property recommended for private sale. The site is considered suitable for residential development, as it is compatible with the surrounding zoning and development.

Five-Year Goal: Continue to coordinate with the school districts to provide additional sites for residential development.

ISSUE: ASSIST IN THE DEVELOPMENT OF AFFORDABLE HOUSING

I-HE 14. Development of Senior Citizen and Low-/Moderate-Income Housing

Program Description: The City plays an active role in the provision of quality, affordable housing through land write-downs, direct financial assistance and regulatory incentives (density bonus and other relaxed development standards) for the construction of senior citizen and/or low- and moderate-income housing. As part of this activity, the City also provides for reduced development standards through use of the City's Senior Residential development standards. The City's Affordable Housing Zoning Incentives (Section 230.14) further provides for density increases and modified development standards for projects which integrate affordable units. Particularly for affordable projects targeted to large families, the City will utilize these zoning incentives to provide reductions in multi-family parking requirements.

Five-Year Goal: Continue to provide regulatory and financial assistance for the development of affordable housing. Seek to achieve development of 350 new affordable units.

I-HE 15. Technical Support for Affordable Housing Projects

Program Description: The City provides consultation and technical assistance to aid private developers, local community development corporations, and other non-profit housing providers in expanding housing opportunities.

Five-Year Goal: Continue to provide consultation and technical assistance.

I-HE 16. Solicit Participation of Private Developers in Affordable Housing Programs

Program Description: The City conducts outreach to provide financial and regulatory incentives to private developers to increase the supply of affordable housing in Huntington Beach. The City will continue to focus a portion of Agency assistance towards rental projects which meet the needs of very low- and low-income renters, and large families.

Five-Year Goal: Continue outreach effort to private developers. Complete a minimum of three affordable housing projects currently under negotiation: 1) Victoria Woods Senior Apartments - 271 units, 2) Bowen Court Senior Apartments - 20 units, and 3) Wycliffe Apartments - 28 units.

I-HE 17. Project Self-Sufficiency

Program Description: This program offers assistance to low-income, single parents so that they can achieve economic independence from governmental assistance through a vast community and county network of human services. This program is a public private partnership between the Project Self-Sufficiency Task Force/Single Parent Network of Orange County and the Project Self-Sufficiency Foundation, founded in 1994. The program is funded by a combination of the City's CDBG funds, City General Funds, and private donations. Assistance to eligible participants includes education scholarships, job training support, childcare scholarships, medical emergencies, transportation, and emergency services.

Five-Year Goal: Continue to provide support services to low-income, single parents to transition towards self-sufficiency. Seek to assist a minimum of 90 households annually, with Huntington Beach residents comprising a minimum of 70% of those assisted.

I-HE 18. Redevelopment Agency Production and Replacement Housing Obligations

Program Description: The Redevelopment Agency supports the production of affordable housing using CDBG and HOME funds, redevelopment set-aside funds, and other available resources to meet the Agency's ongoing housing production (inclusionary) and replacement obligations.

Five-Year Goal: Construct a total of 100 affordable housing units to fulfill Agency housing production and replacement requirements.

I-HE 19. Implement Inclusionary Housing

Program Description: "Inclusionary housing" refers to provisions which require an established percentage of units within a market rate development be price-restricted as affordable units to be occupied by low- and moderate-income households. The City requires developers of projects with greater than 3 units to include ten percent of units as affordable to low- and moderate-income. For rental projects, these inclusionary units are targeted between 50-80% Median Family Income (MFI). For ownership projects, inclusionary units are required to be affordable to 100-120% MFI. In the Holly Seacliff Specific Plan, the inclusionary requirement is 15%. The City provides several options for fulfillment of the inclusionary housing requirement, including provision of new units either on- or off-site, off-site multi-family acquisition/rehabilitation, and off-site purchase of affordability covenants of at-risk units. Many developers have chosen to provide the units off-site through contribution of \$25,000 per required inclusionary unit to a local non-profit building and rehabilitating housing in the community.

Five-Year Goal: Continue to implement inclusionary housing requirements.

ISSUE: REMOVAL OF GOVERNMENTAL CONSTRAINTS

I-HE 20. "Fast Track" Processing for Affordable Housing Projects

Program Description: The City's procedures, while efficient, can add cost to developing housing. The City will evaluate its approval process and determine the feasibility of a "fast track" approval process for affordable housing projects.

Five-Year Goal: Evaluate development of a specific procedure for fast track processing during 2001-2002..

I-HE 21. Encourage Implementation of SRO Ordinance

Program Description: The City adopted an SRO Ordinance, and City Council has recently approved an 106 unit SRO under the Ordinance. Development standards for SROs are codified in the Zoning Ordinance (Section 230.46, Non-Residential Districts). The City will evaluate other successful SRO ordinances throughout the State and identify potential revisions to the City's Ordinance to make it more useful.

Five-Year Goal: Complete the development of a minimum of 106 SRO units. Develop appropriate revisions to SRO Ordinance during 2001-2002 to further facilitate SROs.

ISSUE: EQUAL HOUSING OPPORTUNITY

I-HE 22. Fair Housing

Program Description: As required by HUD, the City has prepared an “Analysis of Impediments to Fair Housing Choice” and will implement Plan actions to address identified impediments. The City will continue to use the services of the Fair Housing Council of Orange County. All complaints of discriminatory housing practices are referred to the Fair Housing Council of Orange County. The Council also provides education and outreach services regarding fair housing issues and resident rights.

Five-Year Goal: Continue to provide fair housing services and implement actions called for in the Fair Housing Plan.

I-HE 23. Accessible Housing

Program Description: The City adopts updates to Uniform Building and Housing Codes to reflect current accessibility requirements in new construction. The City coordinates with the Dayle MacIntosh Center to maintain a directory of accessible housing for physically disabled individuals. Rehabilitation loans are available through the City for modifications necessary to make units accessible to and suitable for the physically disabled.

Five-Year Goal: Continue to adopt updates to Uniform Building and Housing Codes, maintain directory of accessible housing for physically disabled individuals, and provide loans for accessibility improvements.

I-HE 24. Continuum of Care - Homeless Assistance

Program Description: The City participates in the County’s Continuum of Care Strategy to assist homeless persons transition through the various stages to self-sufficiency. The City funds local non-profit groups that provide services to the area's homeless population. Public notification of the availability of funds are provided through newspaper advertisements, as well as direct notification to local service providers.

Five-Year Goal: Continue participation in the County’s Regional Committee for the Continuum of Care and allocate CDBG monies to fund homeless services providers.

**TABLE HE-32
HUNTINGTON BEACH
2000-2005 HOUSING IMPLEMENTATION
PROGRAM**

HOUSING PROGRAM	PROGRAM DESCRIPTION	FIVE YEAR GOAL	RESPONSIBLE AGENCY	FUNDING SOURCE	SCHEDULE
CONSERVING AND IMPROVING EXISTING AFFORDABLE HOUSING:					
1. Single-Family Rehabilitation	Continue to make available Deferred Repayment Loans, Below Market Interest Rate Loans, and Health and Safety Emergency Grants to low- and moderate-income single-family homeowners.	Assist 75 low- and moderate-income single-family homeowners.	Economic Development Department	CDBG; HOME Funds	2000-2005
2. Multi-Family Rental Housing Loans (MRH)	Continue to assist owners of apartment buildings occupied by low-income tenants.	Provide MRH loans to upgrade 100 rental units.	Economic Development Department	CDBG; Redevelopment Set-Aside; HOME	2000-2005
3. Multiple-Family Acquisition and Rehabilitation through Non-Profit Developers	Continue to assist non-profits in acquisition and rehabilitation of existing multiple-family housing within enhancement and redevelopment areas. Preserve existing affordable housing.	Continue to work with non-profit developers.	Economic Development Department; Redevelopment Agency	HOME; Redevelopment Set-Aside; CDBG; Bonds; tax credits	Ongoing
4. Neighborhood Improvement Programs	Administer and implement a comprehensive neighborhood improvement program in targeted areas of the City.	Continue to administer program.	Planning Department and Economic Development Department	CDBG; Redevelopment Set Aside; Private Funds.	2000-2005
5. Off-Site Multi-Family Acquisition/Rehabilitation	Allow developers to fulfill affordable housing requirements through off-site acquisition/rehabilitation of rental units.	Provide additional affordable units through off-site, deed restricted rental rehabilitation.	Planning Department	None necessary	Ongoing
6. Mortgage Credit Certificate (MCC) Program	Participate in the MCC program to increase homeownership opportunities for moderate-income first time homebuyers.	Work to sign up additional lenders and actively market program.	Economic Development Department	Federal Tax Credits	Ongoing

**TABLE HE-32
HUNTINGTON BEACH
2000-2005 HOUSING IMPLEMENTATION
PROGRAM
(continued)**

HOUSING PROGRAM	PROGRAM DESCRIPTION	FIVE YEAR GOAL	RESPONSIBLE AGENCY	FUNDING SOURCE	SCHEDULE
7. Section 8 Rental Assistance Program	Provide Section 8 rental certificates through OCHA to families of all sizes.	Continue current levels of Section 8 assistance. Encourage landlords to register units with Housing Authority.	OCHA	HUD Section 8	Ongoing
8. Citywide Code Enforcement	Continue to monitor the City's housing stock, issuing violation notices to property owner requiring compliance with property maintenance regulations and uniform housing code requirements.	Continue to implement the City's residential code enforcement program.	Planning Department	General Fund; CDBG	Ongoing
9. Preservation of Assisted Rental Housing	The City will work to preserve the existing stock of subsidized housing units through a) monitoring at-risk units, b) tenant education, c) work with priority purchasers, d) refinance bonds, e) pursue off-site purchase of affordability covenants, f) tenant purchase of units, and g) provide new affordable housing.	Implement the following actions to protect or replace at-risk units: a) monitoring at-risk units, b) tenant education, c) work with priority purchasers, d) refinance bonds, e) pursue off-site purchase of affordability covenants, f) tenant purchase of units, and g) provide new affordable housing.	Planning Department	HOME; Set-Aside, CBDG; and other	Ongoing
10. Condominium Conversion Ordinance	Consider allowing modified standards where condominiums integrate affordable units and evaluate assistance to tenants interested in purchasing their units.	Continue to enforce ordinance and evaluate opportunities for affordable homeownership on a project-by-project basis.	Planning Department; City Attorney	General Fund	Ongoing

**TABLE HE-32
HUNTINGTON BEACH
2000-2005 HOUSING IMPLEMENTATION
PROGRAM
(continued)**

HOUSING PROGRAM	PROGRAM DESCRIPTION	FIVE YEAR GOAL	RESPONSIBLE AGENCY	FUNDING SOURCE	SCHEDULE
11. Replacement Housing Program	Continue to require a housing replacement plan for projects that result in the displacement of residents and demolition of low-and moderate-income housing within the Coastal Zone.	Continue to require replacement housing and financial assistance for displaced households.	Planning Department; Economic Development Department	General Fund; Redevelopment Set Aside Funds	Ongoing
PROVISION OF ADEQUATE HOUSING SITES:					
12. Vacant Land Inventory	Identify development opportunities through maintenance of a residential sites inventory.	Maintain a current inventory of vacant residential sites and provide to developers.	Planning Department; Economic Development Department	General Fund; CDBG	Ongoing
13. Residential Development Opportunities on School Sites	Work with school districts to provide residential development opportunities on appropriate surplus school sites.	Continue to coordinate with the school districts to provide additional sites for residential development.	Planning Department; Department of Public Works; Economic Development Department; Community Services Department	Department Budgets	Ongoing
ASSIST IN THE DEVELOPMENT OF AFFORDABLE HOUSING:					
14. Development of Senior Citizen and Low-/Moderate-Income Housing	Play an active role in the provision of affordable housing and provide for reduced development standards through the use of the City's Senior Residential Suffix zone.	Continue to provide regulatory and financial assistance for the development of affordable housing. Seek to achieve 350 new affordable units.	Economic Development Department	Set Aside Fund; Tax Credits; HUD Section 202; Home funds; Bonds; tax credits	Ongoing
15. Technical Support for Affordable Housing Projects	Provide consultation and technical assistance to aid in the expansion of housing opportunities.	Continue to provide consultation and technical assistance.	Planning Department; Economic Development Department	General Fund; Set Aside Funds; HOME; CDBG; HUD Section 202	Ongoing

TABLE HE-32
HUNTINGTON BEACH
2000-2005 HOUSING IMPLEMENTATION
PROGRAM
(continued)

HOUSING PROGRAM	PROGRAM DESCRIPTION	FIVE YEAR GOAL	RESPONSIBLE AGENCY	FUNDING SOURCE	SCHEDULE
16. Solicit Participation of Private Developers in Affordable Housing Programs	Provide financial and regulatory incentives to private developers to increase the supply of affordable housing.	Continue outreach effort to private developers. Complete minimum of 3 projects, totaling 319 units.	Planning Department; Economic Development Department	General Fund; Set Aside Funds; HOME; CDBG	Ongoing
17. Project Self-Sufficiency	Offer assistance to low-income, single-parents so that they can achieve economic independence from governmental assistance.	Continue to provide support services to low-income, single parents to transition toward self-sufficiency. Seek to assist 90 households annually.	Community Services Department	CDBG; HOME; General Fund; private donations; competitive HUD grants.	Ongoing
18. Redevelopment Agency Production and Replacement Housing Obligations	Pursue production of affordable housing to meet the Redevelopment Agency's ongoing production and replacement housing obligations.	Construct a total of 100 affordable housing units to address Agency housing requirements.	Economic Development Department	CDBG Funds, Redevelopment Agency funds, HOME, State and Federal Housing Tax Credits, others as available.	Ongoing
19. Implement Inclusionary Housing	Provide ten percent affordable units within market-rate projects. Offer several alternatives to providing units on-site.	Continue to require inclusionary units.	Planning Department; Economic Development	Department Budget	2000-2005
REMOVAL OF GOVERNMENTAL CONSTRAINTS:					
20. "Fast Track" Processing for Affordable Housing Projects	Evaluate the City's approval process and determine the feasibility of a "fast track" approval process for affordable housing projects.	Evaluate development of a specific procedure for fast track processing	Planning Department	Department Budget	2001-2002

**TABLE HE-32
HUNTINGTON BEACH
2000-2005 HOUSING IMPLEMENTATION
PROGRAM
(continued)**

HOUSING PROGRAM	PROGRAM DESCRIPTION	FIVE YEAR GOAL	RESPONSIBLE AGENCY	FUNDING SOURCE	SCHEDULE
21. Encourage Implementation of SRO Ordinance	The City adopted an SRO Ordinance, and recently approved one project. Evaluate other successful SRO ordinances and identify potential revisions to make the City's more useful.	Complete development of minimum of 106 SRO units. Revise SRO Ordinance as appropriate.	Planning Department	Department Budget	2001-2002
EQUAL HOUSING OPPORTUNITY:					
22. Fair Housing	Implement Fair Housing Plan actions and continue to use the service of the Fair Housing Council of Orange County.	Continue to provide fair housing services. Implement actions called for in Plan.	Economic Development Department; Planning Department	CDBG	Ongoing
23. Accessible Housing	Adopt Uniform Building and Housing Codes to reflect current accessibility requirements in new construction. Coordinate with Dayle MacIntosh Center and provide modification assistance.	Continue to adopt updates to Uniform Building and Housing Codes, maintain directory of accessible housing for physically disabled, and provide loans for accessibility improvements.	Economic Development Department and Dayle MacIntosh Center	CDBG	Ongoing
24. Continuum of Care - Homeless Assistance	Participate in Regional Strategy to assist the homeless.	Continue participation in the Regional Committee of Care. Allocate CDBG funds to homeless service providers.	Economic Development Department	CDBG	Ongoing
QUANTIFIED OBJECTIVES: TOTAL UNITS TO BE CONSTRUCTED: 384 Very Low; 255 Low; 146 Moderate; 112 Upper ¹ TOTAL UNITS TO BE REHABILITATED: 50 Very Low; 85 Low Income, 40 Moderate Income TOTAL UNITS TO BE CONSERVED: At Risk Units: 452 Very Low Income, 147 Low Income					

¹ Reflects reduction in RHNA of 1,118 units developed between 1/98 - 7/00 per Table HE-28.

Appendix A

1989 - 1997 Housing Accomplishments

1989 - 1997 HOUSING ACCOMPLISHMENTS

(Excerpt from 1999 Housing Element)

The Huntington Beach 1989 Housing Element contained a series of housing programs with related quantified objectives grouped by the following issue areas: New Housing Construction; Assistance to Existing Units; Housing Services; Removal of Government Constraints; and Fair Housing. In addition, several programs were included in the Element that were under consideration by the City. The following section reviews the progress in implementation of these programs, the effectiveness of the element, and the continued appropriateness of identified programs. Each program/action from the 1989 element is included, with its prior reference number from the 1989 element. These numbers are not in sequence because the issue areas have changed since the previous element. The results of this analysis provided the basis for developing the comprehensive housing program strategy presented in the final section of the 1999 Housing Element.

New Housing Construction - Programs

1. New Low-/Moderate-Income Housing

The City will continue to make available Redevelopment Agency owned property within the Talbert-Beach Redevelopment Project Area for construction of low- and moderate-income housing.

1989 Goal: Aid in the production of up to 200 senior and affordable units.

Program Status: In 1993, the Agency conveyed several small lots to facilitate development of 80 multiple-family units. Due to market demands, the overall development plan was changed. The Planning Commission approved 27 single-family units on the last vacant parcel in the area, to provide a total of 65 units in the project. Of the 65 units, a total of 22 affordable units will be provided.

2. Density Bonus Incentives

Pursuant to State law, if a developer allocates at least 20 percent of the units in a housing project to lower income households, 10 percent for very low-income households, or at least 50 percent for "qualifying residents" (e.g. senior citizens), the City must either a) grant a density bonus of 25 percent, along with one additional regulatory concession to ensure that the housing development will be produced at a reduced cost, or b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. In order to ensure the continued affordability of units provided under the program for a minimum of 30 years, the City will require that restrictive covenants be filed with the deed on all new density bonus projects and will bi-annually monitor these units.

As an additional incentive to increase the number of affordable units provided, the City can also offer to write down the development costs in exchange for the provision of additional affordable units. The number of additional units set aside is a proportionate percentage of the City's contribution to the overall construction costs for the project.

1989 Goal: Facilitate the development of 50 to 100 affordable units.

Program Status: In March of 1992, the City adopted its density bonus ordinance providing increases in density and other incentives for housing projects which provide housing units affordable to low- and very low-income households.

Since adoption of the 1989 Housing Element, the City has approved 113 affordable units using density bonus and incentive programs for affordable housing. Of these 113 units, 44 were never constructed due to revisions in the projects. However, additional units were required as conditions of approval on other tracts approved during this period. Since June 1989, a total of approximately 190 affordable units (32 very low-, 52 low-, and 106 moderate-income) have been approved and have been constructed/are under construction/required through covenant.

3. Land Assemblage and Write-Down

The City uses CDBG, HOME, and redevelopment set-aside monies to write down the cost of land for low- and moderate-income housing. The intent of this program is to reduce land costs to the point that it becomes economically feasible for a private (usually non-profit) developer to build units which are affordable to low- and moderate-income households. As part of the land write-down, the City may also assist in acquiring and assembling property and in subsidizing on- and off-site improvement costs.

1989 Goal: This is the same as the density bonus/incentives program above.

Program Status: The City has assisted in the acquisition of land for two affordable housing projects under this program. The first is a project by Habitat for Humanity and consists of the construction of three single family homes; the second is a twenty-one unit senior apartment complex (Bowen

Court). Both projects have received their entitlements for development, but neither has been constructed to date.

4. Technical Assistance

The City will provide technical assistance to aid private developers in expanding housing opportunities.

1989 Goal: Provide more opportunities for affordable housing.

Program Status: The City regularly provides developers with technical assistance regarding the permit/entitlement process, zoning, municipal codes, and other city requirements; as part of this assistance, developers are offered information on any known resources to assist them in meeting their affordable housing requirements or options which help to promote the City's affordable housing goals. Through this program, developers are also informed about the Housing Set-Aside, the Community Development Block Grant, and Home programs, as well as other financial resources, such as, affordable housing lenders and bonds.

5. Outreach Program

Continue the City's outreach program to solicit participation of private developers in affordable housing programs.

1989 Goal: Production of affordable units.

Program Status: The Departments of Economic and Community Development have a list of developers interested in doing affordable housing projects in or for the City of Huntington Beach or the Redevelopment Agency. The City (or Agency) draws from this list (along with other parties who respond to public notices and news releases) to solicit participation in the City's affordable housing programs. The Department of Economic Development also has a specialized developer list for the non-profit housing developer, and has qualified certain developers to be Community Housing Development Organizations (CHDOs) as required within the HOME program design.

6. Development Standards

The City will review its development standards for residential development to assess feasibility of reducing or relaxing the standards for affordable housing projects.

1989 Goal: Reduce housing construction costs.

Program Status: This is an ongoing effort which was partially satisfied with the adoption of the density bonus ordinance, and the Downtown Specific Plan which includes provisions for affordable housing.

7. "Fast Track" Procedure

The City will evaluate the feasibility of a "fast track" process for affordable housing projects.

1989 Goal: Reduce costs for affordable housing projects.

Program Status: The City is in the process of working on streamlining its development review process.

8. Tax-Exempt Mortgage Program

The City maintains an on-going program to provide tax-exempt mortgage financing for construction and permanent loans for multiple-family housing. The City sells bonds to provide the financing for the program. The income from the bonds is tax-exempt, which increases the effective net yield to the bond holder.

Federal law requires that 20 percent of the total units in a bond-financed project be reserved for lower income households.

1989 Goal: Provide mortgage financing for three projects for a total of approximately 300 housing units.

Program Status: As of 1993, the City issued multiple-family mortgage revenue bonds in the amount of \$76,865,000 to finance a total of 262 units affordable to lower income households. The City has not issued any additional bonds.

9. Specific Plans

The City will consider the use of specific plans to promote a balance between open space and housing to reduce the unit cost of housing.

1989 Goal: Reduce housing development costs.

Program Status: The use of specific plans is considered on a project-by-project basis. Most large vacant areas within the City either have a specific plan, or a specific plan is in the process of being prepared for the area. Specific plans can allow for reductions in housing development costs by allowing modifications to existing development standards.

10. Single Room Occupancy (SRO) Housing

The City will investigate the feasibility of an ordinance to permit SRO hotels as a mechanism for providing affordable housing.

1989 Goal: To facilitate the development of SROs.

Program Status: In 1991, the City adopted an ordinance to incorporate provisions for SRO/Living Units into the Huntington Beach Zoning Code. The ordinance establishes standards and procedures for establishing SRO projects in the non-residential districts of the City. To date, no applications for an SRO project have been submitted to the City.

11. "Gap" Financing

The City will encourage developers to pursue "gap" financing from the Orange County Housing Authority (OCHA), and for residential projects that include affordable units.

1989 Goal: Increase the supply of affordable housing units.

Program Status: No developers within Huntington Beach have applied for such financing. However, the City continues to encourage developers to pursue "gap" financing.

12. Vacant Land Inventory

The City will maintain an inventory of vacant land in the City and make it available to interested parties for use in identifying potential residential development sites.

1989 Goal: Provide information which could expedite residential development.

Program Status: In June of 1993, the City completed a vacant land survey, which was updated in August, 1996. As of this date, there were almost 214 acres of vacant land with no entitlements, which could accommodate 2,575 additional units. The City will continue to update this inventory.

13. Monitor Changes in Industrial and Commercial Land Uses

The City will monitor changes in industrial and commercial land uses to assess their impact on residential land use, and investigate the General Plan and zoning residential designations to determine where increased densities can be used to provide affordable rental units.

1989 Goal: Provide additional opportunities for affordable housing.

Program Status: As part of the General Plan update process, the City has been assessing the changes in industrial, commercial and residential land uses to identify trends in land use patterns in the City. This information has been used to amend the City's land use maps to address trends and accommodate housing needs.

14. Use of Vacated School and Park Sites for Affordable Housing

The City will investigate the feasibility of using vacated school and park sites and other publicly owned land for affordable housing.

1989 Goal: Provide approximately 776 units on vacant school sites.

Program Status: As of 1993, the City had a total of 553 acres occupied by schools. Some of these are vacant school sites.

Through the General Plan update, the City designated the school sites as Public (with various underlying designations). The 776 units that were the 1989 goal were projects in process at the time the 1989 Housing Element was prepared. However, these projects were not pursued, and, therefore, the 776 units have not been constructed. A total of 116 single-family units have been constructed on two vacated school sites (Bushard and Gill). These projects are providing 12 affordable units off-site.

15. Increased Residential Densities

The City will investigate General Plan and zoning designations to determine where increased densities can be used to provide affordable housing.

1989 Goal: Increase the number of suitable sites for affordable housing.

Program Status: Part of the General Plan update process has been to assess under used sites and sites which could accommodate higher density residential uses; where appropriate, the City amended its land use map to better meet its housing needs.

16. Identify Locations for Emergency Shelters/Transitional Housing

As part of the Zoning Ordinance update, identify appropriate zones for the location of transitional housing and emergency shelters for the homeless.

1989 Goal: Provide adequate sites for housing for the homeless.

Program Status: As part of the Zoning Code rewrite, the City adopted provisions allowing for transitional housing and homeless shelters as permitted uses in the commercial, industrial and public institutional zones in the City subject to a Conditional Use Permit.

17. Affordable Housing Monitoring

The City will develop an affordable housing monitoring program. The program will require the filing of restrictive covenants on affordable units for which City incentives have been provided. In addition, bi-annual monitoring of the units will be conducted to verify the income of the tenant, along with the continued affordability of the unit.

1989 Goal: Create an affordable housing covenant and monitoring process.

Program Status: The City has created affordable housing covenants for re-sale and rental units to facilitate the retention of affordable units required as conditions of approval on new housing projects. The City is working on a program to monitor older affordable projects approved with density bonuses or other incentives that have not been adequately monitored. The Department of Economic Development monitors the bond projects for compliance.

18. Establish Contact with Local Community Development Corporations

The City will establish contact with local community development corporations and other non-profit housing providers to encourage/facilitate affordable housing development in Huntington Beach.

1989 Goal: Increase opportunities for low- and moderate-income housing.

Program Status: The Redevelopment Agency has developed contacts with several non-profit organizations (such as the Orange County Community Housing Corporation; Jamboree Housing; Bridges of America; the Orange Housing Development Corporation; and American Housing) and reviews their housing development proposals.

Assistance to Existing Units/Households Programs

19. Handicapped Grant Program

Handicapped households have special needs for their units which can include access ramps, wider doorways, assist bars in bathrooms, lower cabinets and counters, and special access to upper floors. The City is working with the Dayle MacIntosh Center for the disabled to encourage owners of rental units to make some of their units available for accessibility modifications. The City uses CDBG funding to offer \$2,000 handicapped modification grants to multiple-family project property owners

to encourage modification of existing units. The 1989 Housing Element recommended that the City undertake more intensive marketing of this program to widen participation.

1989 Goals: Modification assistance to 10 rental units.

Program Status: Modification assistance has been provided to a total of six units since June, 1989.

20. Section 8 Rental Assistance Payments/Housing Certificates and Vouchers

The Section 8 rental assistance certificate program extends rental subsidies to low-income families and elderly who spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. The voucher program is similar to the certificate program except participants receive housing vouchers rather than certificates. Unlike the certificate program, participants are permitted to rent units beyond the federally determined fair market rent in an area provided the tenant pays the extra rent increment. The City of Huntington Beach contracts with the Orange County Housing Authority to administer the Section 8 certificate/voucher program.

1989 Goals: Provide additional rental subsidies to 238 households.

Program Status: There are currently a total of 850 vouchers and certificates in the City, thus the City exceeded its goal by over 50 certificates/vouchers. The City has no jurisdiction over how many households receive Section 8 assistance.

21. Shared Equity Program

Equity sharing allows lower income households to purchase a home by sharing the costs of home ownership with a sponsor, such as a local housing authority. The sponsor and buyer together provide the down payment and purchase costs to buy a house. When the house is sold, the equity earned through appreciation is split between the occupant and the sponsor according to an agreement made prior to purchase.

The City/Redevelopment Agency developed a shared equity program in which a loan pool was established using redevelopment set-aside funds for down payment assistance to qualifying low- and moderate-income first-time homebuyers. A Deed of Trust and affordable housing covenant will be secured against the property to ensure the unit will be owner-occupied and that the loan is paid back with a proportionate share of the equity at the time the property is sold or the title transferred. The covenant will designate the use for the longest feasible time, but not for less than ten years.

1989 Goal: Provide assistance to 25 to 30 low- and moderate-income first time home buyers annually.

Program Status: Between 1989 and 1996, 27 loans were been provided to low- and moderate-income households in conjunction with the Seaview Village project. This project is complete, and no additional downpayment assistance has been provided.

22. Rent Certificates

Provide rent certificates (through the rental rehabilitation program) and single-family rehabilitation loans for room additions to alleviate overcrowding.

1989 Goal: Provide adequate size housing for large families.

Program Status: The Federal Rental Rehabilitation Program was discontinued in the 1991-1992 Fiscal Year and has not been resumed.

23. Community and Neighborhood Enhancement

The Community and Neighborhood Enhancement Program is a comprehensive program designed to promote and assist in the upgrading of declining residential neighborhoods within the City. This program is designed to meet individual needs, to be responsive to the social and economic circumstances which exist within each neighborhood, to have strong resident and property owner support, and to be limited to a few priority areas so that the full benefit of a concentrated effort might be realized. The areas included in the Neighborhood Enhancement Program are Oakview, Washington Street, Amberleaf Circle, South Shores, Liberty, Oldtown, and Townlot neighborhoods. Rehabilitation loans are provided through the City Housing Rehabilitation Loan Program and formerly the Rental Rehabilitation Program. There is a continuing effort to provide housing rehabilitation assistance, combined with needed public improvements, to promote the renovation of existing units within these neighborhoods.

1989 Goals: Assist 100 units in the Oakview area; and rehabilitate 80 units in Amberleaf Circle, as well as initiate occupancy and maintenance standards for Amberleaf Circle.

Program Status: The 1989 goals were met. A total of 126 units occupied by very low-income households were assisted in the Oakview neighborhood. The Community and Neighborhood Enhancement Program goals were completed in the Amberleaf Circle neighborhood--all 76 of the substandard units have been rehabilitated, public improvements have been completed and all owners have executed a maintenance agreement with the City. Amberleaf Circle continues to be part of the Neighborhood Enhancement Program.

24. City-Wide Housing Rehabilitation Loan Program

This program uses CDBG funding to provide low interest loans to owners of residential properties including mobile homes. Deferred payment rehabilitation loans of up to \$10,000 are available to very low-income owner-occupied households. These loans are due and payable with a five percent one-time interest fee at the time of sale or transfer of ownership. The City also offers the following below market interest rate loans for residential rehabilitation: a) three percent loans available to lower income households; b) five percent loans available to median-income households within identified Community and Neighborhood Enhancement target areas for health and safety repairs only; and c) eight percent loans available to above-median income households with identified Community and Neighborhood Enhancement target areas for health and safety compliance repairs only. The maximum loan amount for a below market interest rate loan is \$15,000. The City also offers rehabilitation loans to income-qualified households in response to the City's code enforcement activities.

1989 Goals: Assist 80 single-family units annually.

Program Status: Since adoption of the 1989 Housing Element in June, 1989, the City has provided loans for the rehabilitation of 171 single family units, which is approximately 24 units per year. Of these units, 148 were affordable to very low-income households, and the remaining units were affordable to low-income households.

25. Rental Rehabilitation Program

The Rental Rehabilitation Program was a separately funded Federal program established to encourage the rehabilitation of substandard apartment buildings in targeted neighborhoods. Through this program, the City offered up to a 50 percent deferred loan toward the total cost of a rehabilitation project, with the balance financed through a loan at a six percent interest rate. The maximum loan amount was \$40,000. To qualify for a rental rehabilitation loan, at least 70 percent of the tenants in the building to be rehabilitated must have been low- or moderate-income.

In order to address potential displacement impacts resulting from increased rents in rehabilitated units, the City coupled the Rental Rehabilitation Program with its Rental Assistance Program. Low-income tenants in rehabilitated buildings were offered rent vouchers to ensure their housing costs would not exceed 30 percent of their gross monthly income.

1989 Goals: Assist 16 multiple-family units per year.

Program Status: Between June, 1989, and 1992, the City issued rehab loans for 139 multiple-family units. All of the households assisted were very low-income. This program was discontinued in FY 91-92.

26. Enforce Land Use Ordinances

The City will continue to actively enforce land use ordinances.

1989 Goal: Improved property maintenance throughout the City.

Program Status: This is an ongoing process.

27. Mobile Home Park Displacement

The City will meet and consult with mobile home owners who are potential displaces as the result of mobile home park conversions to other uses.

1989 Goal: Mitigate displacement impacts on mobile home park residents.

Program Status: This program has not been implemented, since there have been no conversions other than the Driftwood mobile home park. The gradual conversion of this park is occurring due to Redevelopment Agency activities. Mitigation of relocation impacts is being addressed through the Redevelopment Agency.

28. Financial Assistance for Displaced Residents

The City will provide financial assistance for relocation of persons displaced by redevelopment activities including occupants of mobile home parks.

1989 Goal: Mitigate impacts to displaced residents.

Program Status: The majority of housing displacement has occurred in the Main Pier Redevelopment Project Area or due to public improvement projects. Relocation benefits have been provided.

29. Monitor and Replace Affordable Units in the Coastal Zone

The City will continue to monitor and assure replacement of low- and moderate-income housing which is demolished or converted in the Coastal Zone.

1989 Goal: Conservation of affordable housing through replacement.

Program Status: There have been a total of 112 affordable units demolished in the Coastal Zone since June, 1989, and a total of 141 replacement units built. From inception of the Coastal Act in 1982 and adoption of the City's 1989 Housing Element, 73 units were demolished in the Coastal

Zone, with 1,086 replacement units affordable to low and moderate income households built within three miles of the coastal zone. (Refer to City's 1989 Housing Element for additional information on these projects).

30. Home Weatherization Improvements

The Community Development Council, a non-profit corporation, the Southern California Gas Company, and Southern California Edison offer a variety of energy conservation services designed to assist low-income, senior citizens, the handicapped, and non-English speaking customers to help them reduce energy consumption. Homeowners or renters may qualify for the following free weatherization improvements: attic insulation, weather stripping, caulking, water heater insulation blankets, water-saving showerheads, heating/cooling duct insulation, as well as other types of improvements that increase energy efficiency.

1989 Goals: Improve residential energy efficiency and related housing costs.

Program Status: This is an ongoing activity.

31. Code Enforcement

One of the primary objectives of the City's code enforcement program is to bring substandard housing units into compliance with City housing codes. The code enforcement program is operated through the City's Community Development Department.

1989 Goals: Expand the code enforcement program.

Program Status: Due to citizen complaints and community concerns regarding deterioration within the City, the code enforcement program has been expanded from 3 ½ inspectors in 1989 to five full-time field inspectors, one part-time abandoned vehicle inspector, and one part-time business license enforcement inspection. This staffing level enables the Community Development Department to respond to the average monthly caseload of 625 code complaints. Code enforcement is an ongoing activity in the City. Two Code Enforcement officers are funded using CDBG funds.

32. Interest Rate Write-Downs for Existing Affordable Housing

The City of Huntington Beach has a number of affordable multiple-family housing projects that were built with the assistance of federal, state, or redevelopment set-aside monies, and/or that were given density bonuses or other non-monetary incentives. Some of these units have the potential to convert to market rate housing, because of expiration of the federal loan, expiration of the Section 8 contract, or expiration of other affordability controls. The City will develop a Multiple-Family Unit Interest Rate Write-Down Program that will offer a lump sum write-down of an existing interest bearing note

to reduce debt service on existing multiple-family apartment complexes. In return for the write-down, the property owner will execute with the City a recorded covenant requiring the continuation of affordable rental rates to low- and moderate-income households for a minimum of 15 years.

A second approach to conserving existing affordable units would be for a non-profit developer to purchase subsidized projects at their market value with financing provided by tax-exempt multiple-family revenue bonds issued by the City. The rating of these tax-exempt securities could be enhanced by pledge of the redevelopment housing set-aside funds, HOME, or other funds, thus reducing the net interest cost of the mortgage loan.

1989 Goals: Conservation of existing stock of publicly-subsidized affordable housing.

Program Status: Due to limitations on funding, this program has not been pursued. The City may still be interested in providing interest rate write-downs in conjunction with the two remaining bond projects at-risk of losing affordability controls - Seabridge Villas and Huntington Breakers.

33. Condominium Conversion Ordinance

The City has adopted a stringent Condominium Conversion Ordinance that requires converted units to conform to the requirements of the City's Planned Unit Development (PUD) Ordinance. Since most existing multiple-family housing units have been developed to standards that generally require substantially less open space and parking than that required under the PUD Ordinance, these requirements serve as a significant disincentive for condominium conversions. The City will amend the ordinance to allow less stringent requirements for condominium conversions if a portion of the units are set aside for low- and moderate-income households.

1989 Goals: Regulate the conversion of rental to ownership units to allow for mitigation of impact to affordable rental housing stock.

Program Status: As part of the Zoning Code rewrite, the City has adopted revisions to its Condo Conversion Ordinance to allow modified requirements if a portion of the units are set aside for low- and moderate-income households.

Housing Services Programs

34. Support Dayle MacIntosh Center

The City will provide coordination and financial support to the Dayle MacIntosh Center to maintain directory of accessible housing.

1989 Goal: Assist handicapped persons locate appropriate housing.

Program Status: The City contributed CDBG funds to the Dayle MacIntosh Center during five years since 1989.

35. Housing Accessibility

The City will fund rehabilitation loans to make housing accessible to handicapped persons.

1989 Goal: Provide modification assistance to 10 owner-occupied units.

Program Status: The City provided modification assistance to a total of six units since June, 1989.

36. State Mortgage Bond Allocation Committee

The City will apply to State Mortgage Bond Allocation Committee to provide below market rate financing for moderate-income first-time homebuyer households.

1989 Goal: Increase the share of the housing stock affordable to first-time home buyers.

Program Status: The City has participated in the mortgage credit certificate program since 1994. Since that time, the City has assisted 22 moderate-income households purchase their homes.

37. Ensure Eligibility of Housing Assistance Recipients

The City contracts with the Orange County Housing Authority (OCHA) to screen and verify incomes of potential participants in Section 8 housing assistance programs.

1989 Goal: Ensure that eligible recipients are occupying affordable housing.

Program Status: This is an ongoing activity.

38. Project Self-Sufficiency

The Project Self-Sufficiency Program goal is to allow people to become independent of government subsidies and be self-sufficient. To meet this goal, the program was awarded housing assistance in the form of Section 8 housing vouchers to low-income, single parents who are either currently homeless or at risk of becoming homeless. The project also has access to a nine-unit apartment which houses nine low-income single-parent families. Three of these units are owned and operated by Orange County Community Housing Corporation (OCCHC). The program also matches the parent with the appropriate agencies in the community to receive needed items such as food,

clothing, childcare and job training. The program is funded with CDBG grants and private sector donations which are raised by the Project Self-Sufficiency Foundation.

1989 Goals: Prevent additional single-parent households from becoming homeless.

Program Status: Since July 1, 1989, the City has assisted a total of 550 households through this program. In addition, the City helped address 6,500 crisis intervention inquiries by low income single-parent households. The program no longer receives Section 8 housing vouchers and certificates directly. The City has dedicated a nine-unit apartment complex for Project Self-Sufficiency families. The program encourages self-sufficiency through the achievement of educational and job retention goals.

39. Homeless Services

The City offers financial assistance to local groups which provide services to the area's homeless population.

1989 Goal: Address the needs of the City's homeless through provision of CDBG funds.

Program Status: The City supports non-profit agencies servicing the homeless through the CDBG program. The City is a participant in the County's Continuum of Care strategy to assist homeless persons.

40. Home Sharing

An ongoing City-funded shared housing program is offered at Roger's Senior Center in Huntington Beach. Roommate matches are made between seniors based on telephone requests. The City will undertake more active marketing to better advertise the program's availability to seniors in the community. The City will also investigate developing a pilot project to match residents of different age categories and linking with the Project Self-Sufficiency Program (see below).

1989 Goals: Provide approximately 30 to 40 roommate matches per year during the 1989 to 1994 period.

Program Status: Since June 30, 1989, the City has assisted in placing a total of approximately 373 people. The City exceeded its program goal, but no longer participates in the program.

41. Assess Cumulative Impact on Community Facilities

The City will review all changes in land uses to determine the cumulative impact on community facilities.

1989 Goal: Assure adequate community facilities and services for development in the City.

Program Status: This is an ongoing activity that is addressed through policies of the General Plan which encourage improvement and upgrade of current facilities and services to adequately accommodate existing and new development.

42. Energy Conservation and Recycling

Include provisions for energy conservation measures and for recycling space within multiple-family residential developments through the Zoning Code update.

1989 Goal: Reduce energy consumption.

Program Status: The recycling area provisions were not pursued, since the City operates its own facility that sorts all refuse/recyclables after they are collected. The energy conservation measures that are implemented are those required through Title 24, and, therefore, there is no need to include them in the City's Zoning Code.

43. Solar Access

Review the Zoning Code and other policies to address solar access.

1989 Goal: Energy conservation through preserving solar access.

Program Status: Although not actively required, the City does have a policy to address the issue of solar access.

Removal of Government Constraints Programs

44. Handicap Accessibility

Implement State and Federal laws for handicap accessibility.

1989 Goal: Provide greater supply of handicap accessible units.

Program Status: The City adopts and implements State and Federal handicap accessibility laws on an ongoing basis. However, no inventory of handicap accessible units is kept. Therefore, the number of accessible units provided is unknown.

45. Provision of Day Care in Residential Zones

Review the City's subdivision ordinance to identify any unnecessary restrictions related to provision of day care in residential zones.

1989 Goals: Facilitate opportunities for providing day care services to assist single parent and family households.

Program Status: This was completed as part of the Zoning Code rewrite which was adopted in November of 1994.

46. Consistency Between Municipal Code and Housing Element

The City will review Division 9 of the Municipal Code to ensure it reflects Housing Element policies and programs while maintaining adequate standards for development.

1989 Goal: To ensure consistency between the Housing Element and Zoning Code.

Program Status: This was completed as part of the Zoning Code rewrite. However, the Zoning Code and Housing Element will need to be reevaluated as the two documents are amended from time to time.

Fair Housing Programs

47. Fair Housing Services

Retain the Orange County Fair Housing Council (OCFHC) to provide assistance with addressing fair housing complaints.

1989 Goal: Resolution of fair housing issues as they arise.

Program Status: This is an ongoing activity. Since June, 1989, the OCFHC has resolved or heard a total of 14,375 fair housing complaints.

Summary of Appropriateness of 1989 Housing Element Programs

The Element's overall intent of providing for housing construction, rehabilitation, and conservation remain highly appropriate for the current Housing Element.

The following programs achieved their targeted goals:

2. *Density Bonus Incentives* - Since adoption of the 1989 Housing Element, the City has approved 190 affordable units using density bonus and incentives programs for affordable housing.
8. *Tax-Exempt Mortgage Program* - As of 1993, the City issued multiple-family mortgage revenue bonds to finance a total of 262 affordable housing units.
10. *Single Room Occupancy (SRO) Housing* - In 1991, the City adopted an ordinance to incorporate provisions for SRO/Living Units.
13. *Monitor Changes in Industrial and Commercial Land Uses* - As part of the General Plan process, the City has been assessing the changes in industrial, commercial and residential land uses to identify trends in land use patterns in the City.
15. *Increased Residential Densities* - Part of the General Plan update process has been to assess underused sites and sites which could accommodate higher density residential uses; where appropriate, the City amended the land use map to better meet its housing needs.
18. *Establish Contact with Local Community Development Corporations* - The Redevelopment Agency has developed contacts with several non-profit organizations and reviews their housing development proposals.
19. *Handicapped Grant Program* - Modification assistance has been provided for a total of six owner-occupied units since June, 1989.
21. *Shared Equity Program* - Between 1989 and 1996, 27 loans have been provided to low- and moderate-income households in conjunction with the Seaview Village Project.
23. *Community and Neighborhood Enhancement* - A total of 126 units occupied by very low-income households were assisted in the Oakview neighborhood. The Community and Neighborhood Enhancement Program goals for 1989 were completed in the Amberleaf Circle Neighborhood -- all 76 substandard units were rehabilitated, public improvements were completed, and all owners have executed a maintenance agreement with the City.
24. *City-Wide Housing Rehabilitation Loan Program* - Since June, 1989, the City has provided for rehabilitation of 171 single-family units.

25. *Rental Rehabilitation Program* - Between June 1989 and 1992, the City issued rehabilitation loans for 139 multiple-family units. The program was discontinued in FY 1991-1992.
29. *Monitor and Replace Affordable Units in the Coastal Zone* - There have been a total of 112 affordable units demolished in the Coastal Zone since June, 1989, and a total of 141 replacement units built.
31. *Code Enforcement* - The code enforcement program has been expanded to provide six full-time inspectors, one part-time abandoned vehicle inspector, and one part-time business license enforcement inspector.
33. *Condominium Conversion Ordinance* - As part of its Zoning Code rewrite, the City has adopted revisions to its Condo Conversion Ordinance to allow modified requirements if a portion of the units are set aside for low- and moderate-income households.
34. *Support Dayle MacIntosh Center* - The City contributed CDBG funds to the Center during five years since 1989.
35. *Housing Accessibility* - The City provided modification assistance to owner-occupied six units since June, 1989.
36. *State Mortgage Bond Allocation Committee* - The Redevelopment Agency has participated in the mortgage credit certificate program since 1994. Since that time, the City has assisted 22 moderate-income households purchase their homes.
38. *Project Self-Sufficiency* - Since July 1, 1989, the City has assisted a total of 550 households through this program.
39. *Homeless Services* - The City supports non-profit agencies serving the homeless through the CDBG program, and participates in the County's Continuum of Care strategy.
40. *Home Sharing* - Since June 30, 1989, the City has assisted in placing a total of approximately 373 people.
45. *Provision of Day Care in Residential Zones* - This was completed as part of the Zoning Code rewrite, which was adopted in November, 1994.
46. *Consistency Between Municipal Code and Housing Element* - This was completed as part of the Zoning Code rewrite.

The following programs have not been implemented due to staffing and/or funding deficiencies, or are still in the implementation process.

7. *"Fast Track" Procedure* - The City is in the process of streamlining its development review process.
17. *Affordable Housing Monitoring* - The City is working on a program to monitor older affordable projects approved with density bonuses or other incentives.
32. *Interest Rate Write-Downs for Existing Affordable Housing* - Due to lack of funding, this program has not been pursued.
42. *Energy Conservation and Recycling* - The recycling area provisions were not pursued since the City operates its own facility that sorts all refuse/recyclables after they are collected.

The following programs did not meet their goals due to changes in the market.

1. *New Low-/Moderate-Income Housing* - Due to market demand, the 80 units that were originally planned were changed to 65 units, and of the 65, 22 will be affordable housing.
14. *Use of Vacated School and Park Sites for Affordable Housing* - The 776 units that were identified as the 1989 goal were projects in process at the time the 1989 Housing Element was prepared. These projects were not pursued. A total of 116 single-family units have been built on two vacated school sites. These projects provide 12 affordable units off-site.

Appendix B

Housing Element Glossary

HOUSING ELEMENT GLOSSARY

Acre: a unit of land measure equal to 43,560 square feet.

Acreage, Net: The portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement which places resale or rental restrictions on a housing unit.

Affordable Housing: Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and other related costs.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate income tenants due to the expiration of federal, state or local agreements.

California Department of Housing and Community Development - HCD: The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Census : The official United States decennial enumeration of the population conducted by the federal government.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD). This grant allots money to cities and counties for housing rehabilitation and community development activities, including public facilities and economic development.

Condominium: A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.

Density: The number of dwelling units per unit of land. Density usually is expressed "per acre," e.g., a development with 100 units located on 20 acres has density of 5.0 units per acre.

Density Bonus: The allowance of additional residential units beyond the maximum for which the parcel is otherwise permitted usually in exchange for the provision or preservation of affordable housing units at the same site or at another location.

Development Impact Fees: A fee or charge imposed on developers to pay for a jurisdiction's costs of providing services to new development.

Development Right: The right granted to a land owner or other authorized party to improve a property. Such right is usually expressed in terms of a use and intensity allowed under existing zoning regulation. For example, a development right may specify the maximum number of residential dwelling units permitted per acre of land.

Dwelling, Multi-family: A building containing two or more dwelling units for the use of individual households; an apartment or condominium building is an example of this dwelling unit type.

Dwelling, Single-family Attached: A one-family dwelling attached to one or more other one-family dwellings by a common vertical wall. Row houses and town homes are examples of this dwelling unit type.

Dwelling, Single-family Detached: A dwelling, not attached to any other dwelling, which is designed for and occupied by not more than one family and surrounded by open space or yards.

Dwelling Unit: One or more rooms, designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of a household.

Elderly Household: As defined by HUD, elderly households are one- or two- member (family or non-family) households in which the head or spouse is age 62 or older.

Element: A division or chapter of the General Plan.

Emergency Shelter: An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis.

Emergency Shelter Grants (ESG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD) provided on a formula basis to large entitlement jurisdictions.

Entitlement City: A city, which based on its population, is entitled to receive funding directly from HUD. Examples of entitlement programs include CDBG, HOME and ESG.

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and many other HUD programs and are published annually by HUD.

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Jurisdictions may adopt local definitions for first-time home buyer programs which differ from non-federally funded programs.

Floor Area Ratio (FAR): The gross floor area of all buildings on a lot divided by the lot area; usually expressed as a numerical value (e.g., a building having 10,000 square feet of gross floor area located on a lot of 5,000 square feet in area has a floor area ratio of 2.0).

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Group Quarters: A facility which houses groups of unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy (SRO) housing, where 10 or more unrelated individuals are housed.

Growth Management: Techniques used by a government to regulate the rate, amount, location and type of development.

HCD: The State Department of Housing and Community Development.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnership Act, Title II of the National Affordable Housing Act of 1990. HOME is a Federal program administered by HUD which provides formula grants to States and localities to fund activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Unsheltered homeless are families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter (e.g., emergency, transitional, battered women, and homeless youth shelters; and commercial hotels or motels used to house the homeless).

Household: The US Census Bureau defines a household as all persons living in a housing unit whether or not they are related. A single person living in an apartment as well as a family living in a house is considered a household. Household does not include individuals living in dormitories, prisons, convalescent homes, or other group quarters.

Household Income: The total income of all the persons living in a household. A household is usually described as very low income, low income, moderate income, and upper income based upon household size, and income, relative to the regional median income.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Two general types of housing subsidy exist. Where a housing subsidy is linked to a particular house or apartment, housing subsidy is "project" or "unit" based. In Section 8 rental assistance programs the subsidy is linked to the family and assistance provided to any number of families accepted by willing private landlords. This type of subsidy is said to be "tenant based."

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

HUD: See U. S. Department of Housing and Urban Development.

Income Category: Four categories are used to classify a household according to income based on the median income for the county. Under state housing statutes, these categories are defined as follows: Very Low (0-50% of County median); Low (50-80% of County median); Moderate (80-120% of County median); and Upper (over 120% of County median).

Large Household: A household with 5 or more members.

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing which is available on the open market without any subsidy. The price for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual income for each household size within a region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Mortgage Revenue Bond(MRB): A state, county or city program providing financing for the development of housing through the sale of tax-exempt bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with greater than 1.51 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the U.S. Census Bureau. Severe overpayment, or cost burden, exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Physical Defects: A housing unit lacking complete kitchen or bathroom facilities (U.S. Census definition). Jurisdictions may expand the Census definition in defining units with physical defects.

Project-Based Rental Assistance: Rental assistance provided for a project, not for a specific tenant. A tenant receiving project-based rental assistance gives up the right to that assistance upon moving from the project.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Redevelopment Agency: California Community Redevelopment Law provides authority to establish a Redevelopment Agency with the scope and financing mechanisms necessary to remedy blight and provide stimulus to eliminate deteriorated conditions. The law provides for the planning, development, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, and the provision of public and private improvements as may be appropriate or necessary in the interest of the general welfare by the Agency. Redevelopment law requires an Agency to set aside 20 percent of all tax increment dollars generated from each redevelopment project area for the purpose of increasing and improving the community's supply of housing for low and moderate income households.

Regional Housing Needs Assessment (RHNA): The Regional Housing Needs Assessment (RHNA) is based on State of California projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the SCAG (Southern California Association of Governments) region. These housing need numbers serve as the basis for the update of the Housing Element in each California city and county.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

Section 8 Rental Voucher/Certificate Program: A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal

emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Small Household: Pursuant to HUD definition, a small household consists of two to four non-elderly persons.

Southern California Association of Governments (SCAG): The Southern California Association of Governments is a regional planning agency which encompasses six counties: Imperial, Riverside, San Bernardino, Orange, Los Angeles, and Ventura. SCAG is responsible for preparation of the Regional Housing Needs Assessment (RHNA).

Special Needs Groups: Those segments of the population which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups consist of the elderly, handicapped, large families, female-headed households, farmworkers and the homeless. A jurisdiction may also choose to consider additional special needs groups in the Housing Element, such as students, military households, other groups present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Substandard, Suitable for Rehabilitation: Substandard units which are structurally sound and for which the cost of rehabilitation is considered economically warranted.

Substandard, Needs Replacement: Substandard units which are structurally unsound and for which the cost of rehabilitation is considered infeasible, such as instances where the majority of a unit has been damaged by fire.

Supportive Housing: Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those defined below.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing: Transitional housing is temporary (often six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing

often includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development at the national level. Housing programs administered through HUD include Community Development Block Grant (CDBG), HOME and Section 8, among others.

Zoning: A land use regulatory measure enacted by local government. Zoning district regulations governing lot size, building bulk, placement, and other development standards vary from district to district, but must be uniform within the same district. Each city and county adopts a zoning ordinance specifying these regulations.

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